

PLAY BALL!

CANADA'S WEEKLY NEWSMAGAZINE

APRIL 5, 1993 \$2.50

Maclean's



THE DEVIL THEY KNOW

- **Why The West Backs Yeltsin**
- **A Conversation With Mikhail Gorbachev**





In Canada, we briefly considered calling it the Hockey.

Instead, we called it the Golf, which is a pretty odd name for a car so well suited to the Great White North.

A completely new design, the Golf's many innovations are of

particular interest to the Canadian motorist. (Even those whose knowledge of stick handling goes no further than the deft operation of a manual transmission.)

To improve handling and traction

during both Canadian driving seasons (winter and construction), the new Golf sports an independent suspension and advanced axle kinematics.

Indoors it seems very nearly as

large as the great Canadian out doors.

And three advanced new engine designs (two gasoline and one diesel) let you control more horses than a stable groom for the RCMP.

Priced around \$11,800, the new Golf is unparalleled north of the forty-ninth parallel.

So why the name Golf? Actually, it was derived from the German for Golf Stream.

Which is probably just as well. After all, while Germans may have a knack for engineering fine automobiles, nobody knows Hockey like Canadians.



The new Golf

Please note the price is based on MSRP for 2-door GL model with 5-speed manual transmission. 4-door GL model shown. Colors, design, details, price and road taxes. Dealer may sell for less.

An analog clock with a black frame and a white face. The clock shows the time 10:30. The hour hand is between 10 and 11, and the minute hand is pointing at 6. There is a red second hand pointing at 12.



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THE DEVIL THEY KNOW

Slavery in style and bowed as a democrat, President Boris Yeltsin still manages to store down his foes at home and secure cautious support from a nervously watching world. Yet even if he survives the latest political crisis in Russia, a country where the press is now free but the news is always bad, he will have to deal with a seemingly unstoppable slide towards chaos. — *36*

AMERICA'S
TOP COP

As state attorney in Miami's racially volatile and drug-infested Dade County, Janet Reno emphasized prevention over punishment—and the chain was soiled. Now, as President Bill Clinton's attorney general, she will test her theories on a nation desperate for ways to curb its rampant urban violence. — *W*



TIME TO PLAY BALL

An major-league baseball gets going again after a stormy two months of training, fans of the Toronto Blue Jays have to hope that the defending champions left their bad baseball in Florida. Montreal fans that the young, talented Expos carry a fine spring performance into the regular season. —



OPENING NOTES

A draft for Joe, Woody-Mia strife and blasting back at the cult in Waco

AN EGGFUL OF SILLY

It is a product of new technology that conquered the world. Invented by General Electric Co. in the United States in 1943, it divided its uses as a seal for air leaks in fighter planes—plastic and elastic, but no stick. Some GE executives, however, loved the seal and made it a cocktail party bid. One party guest, Peter Holpner, an out-of-work Montreal advertising executive, grasped its wider potential, packaged it in a plastic egg, including notes that give it a rainbow of colors, and launched it on the novelty market in 1948—as Silly Putty.



The cost is history, and what its makers now have will be an even brighter future. Boney & Smith, who also market Crayola crayons, still give the original pink product, but now it is also available in a rainbow of colors, including none that give it a rainbow of colors. Other points in Silly Putty's advertising appeal:

- More than 200 million eggfuls have been sold.

enough to prefill the Earth every three times.

- It is alienist: borden, the representative on the 1968 Apollo 8 mission, each carried Silly Putty, specially packaged in sterling silver eggs.
- Following the lead of NFL Hall of Fame wide receiver Raymond Berry, many athletes use it to strengthen the grip, attach athletes use it for their golf and run shoes.

- It is piled in fight arena, and as "chewing gum for the hands" by athletes crying to quit.
- It is used to remove ink from clothing, ink from typewriters, ink from fountain pens.
- Most of all, it is stretched, squashed and pulled apart, pounded, bounced and rolled together—just for fun.

SEE JOE RUN?

Many observers, Defence Minister Kim Campbell's search to succeed Prime Minister Brian Mulroney as Conservative leader seems unimpressive. But as the Alberta riding of Yellowhead, where Tories are happy that a local boy will enter the fray. Since mid-March, riding officials have held a barrage of calls to "Draft Joe"—Joe Clark, now 61. In the MP for Yellowhead said in February that he will not run in the next election, but that failed to satisfy some of his supporters. "He had many calls saying that as a minister after the Prime Minister announced he was not running," said riding president Natalie Gellman. "And people from across the country have called him Ottawa office." But press secretary Peter Cowan said that he was not aware that any movement in draft Clark had surfaced in Ottawa. "I know it is not there in Yellowhead," Cowan said. "But we are not getting many calls here."



POP MOVIES

Top movies in Canada, ranked according to box-office receipts during the week ending on March 25. (In brackets, number of screens/weeks showing.)

1. *Top Gun* (MGM) 1,112/988
2. *Point of No Return* (MGM) 564/296
3. *The Gung Ho* (MGM) 542/400
4. *Fire on the Bay* (MGM) 542/400
5. *Groundhog Day* (MGM) 535/800
6. *Falling Down* (MGM) 534/800
7. *Aladdin* (MGM) 533/300
8. *A Star Is Born* (MGM) 523/300
9. *Homebound* (MGM) 526/100
10. *Saving Mr. Banks* (MGM) 517/300

(Source: Entertainment Weekly)

Maclean's BEST-SELLER LIST

- FICTION**
1. *The Client*, John Grisham (D)
 2. *The Bridges of Madison County*, Robert Knight (M)
 3. *Driftin' & Sellin'*, Mark Twain (D)
 4. *The English Patient*, Michael Ondaatje (M)
 5. *The Green Angel*, Tessa, Mark Twain (D)
 6. *The Language of Numbers*, Peter Dinkley (D)
 7. *John's & Nephew's*, Mark Twain (D)
 8. *Driftin' & Sellin'*, Mark Twain (D)
 9. *Driftin' & Sellin'*, Mark Twain (D)
 10. *Driftin' & Sellin'*, Mark Twain (D)

- NONFICTION**
1. *Houdini and the World*, John Grisham (D)
 2. *Point of No Return*, Robert Knight (M)
 3. *Synopsis of Survival*, John Grisham (D)
 4. *When We Run With The Wolves*, Cheryl Finkbeiner (M)
 5. *The Great Backboard*, John Grisham (D)
 6. *Point of No Return*, Robert Knight (M)
 7. *Driftin' & Sellin'*, Mark Twain (D)
 8. *Driftin' & Sellin'*, Mark Twain (D)
 9. *Driftin' & Sellin'*, Mark Twain (D)
 10. *Driftin' & Sellin'*, Mark Twain (D)

(Source: Publishers Weekly)

Compiled by Helen Borden

WORD FOR WORD

The Woody Papers

Excerpts from testimony last week in the New York City court battle between Woody Allen and Mia Farrow over custody of their four children, Susan, 12, Dylan, 7, and Moses, 15.

"I hit her on the side of the face and on her shoulders. She kicked me and I was crying. On one point of it."

—Farrow, describing her reaction when she found out about Allen's affair with her daughter

Susan's 15th birthday, now 25

"I said, 'Lay back and give me your most erotic poses. Let yourself go.'"

—Allen, describing how he took nude photos of Farrow's friend

"If she walked his apartment, they would end up playing in his bed. It would sound better and the world would be better."

—Farrow, describing Allen of inappropriate sexual behavior toward daughter Dylan

"I hope you get so frustrated that you cannot suicide."

—Allen to Allen, purportedly written by Mia and read to court by Farrow's lawyer Eleanor Alton

"I was stunned when I looked at it. I was terrified of it. I thought it was indicative of some time."

—Allen, describing his reaction when Farrow and her son a suicide note and that his father's name and a book named in it

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SOUR NOTES

Hungry failed to (re)discover cult leader David Koehn. Hunt has been reported, 275 copies in Waco, Texas, last week (mailed) around the clock since midnight. At dawn each morning, they blasted a recording of Koehn, the traditional military bugle call at 10:00 p.m., through a sound system at top volume. They let lowest that with an electric mix of music and selections—on the radio (Koehn, whose by the mid-1980s had been at the hands of William and March Miller, and Nancy Sinatra's 1996 hit song, *These Boots Are Made for Walkin'*). The taste has worked before. In 1969, Panamanian dictator Manuel Noriega surrendered to American troops who had cornered him in the Vatican Embassy in Panama City after they blazed the building for four days with recordings by AC/DC and other hard rock groups.



Koehn, Sinatra's 1996 hit song, *These Boots Are Made for Walkin'*.



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PASSAGES

ONE: Actress Kate Beckinsale, 33, after a battle with cancer, in *Stolen*. She began her career with the summer movie *Straw Hat* (1995) in the role of a Mexican police officer, joined the *Straw Hat* in 1995 and went to Broadway in 1992, where she drew raves as the alcoholic Martha in *What's Afraid of Virginia Woolf?* Her early credits include an acclaimed 1985 TV adaptation of *Grave of the Fireflies*, the 1986 movie *Atlantic City* and the 1981 *Straw Hat* production of *Michael Tinsley's* *Las Vegas*.

TWO: The oldest Canadian and one of the oldest women in the world *Lillian Bassett*, 113, is a nursing home in Cornwall, Ont. When she was 32, she returned her younger sister presenting a banquet in the country's first prime minister, Sir John A. Macdonald.

THREE: Robert Crayton, 68, author of such best-sellers as *The Great Imposter* (1959) and *The Secret of Santa Vittoria* (1968), of heart failure, in a nursing home in New Rochelle, N.Y. The *Great Imposter* (1959) was the true story of a Frenchman who succeeded in becoming a British spy, and *The Secret of Santa Vittoria* (1968) was a novel about a man who lived in the Vatican.

WITHDRAWN: The right of world chess champion Garry Kasparov and British challenger Nigel Short, in the final of the World Chess Championship (1993). The two had sought to stage their contest outside the regulatory body's auspices to increase prize money and players' influence in professional chess.



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Turning heads and practicality. You thought it was impossible. Until you saw the Mazda 626 Cronos. Its fluid, graceful lines caught your eye. The interior was surprisingly spacious, with more headroom and total legroom than Altima, Accord or Camry. You found the double-overhead-cam engine silky smooth and noticed the driver's air bag was standard. And when the weather turned for the worst, you really appreciated the extra-large wiper fluid tank and the available heated side mirrors. The Mazda 626 Cronos. The sophisticated sedan that takes care of the little things too.

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mazda
IT JUST FEELS RIGHT



A treaty signed with indecent haste

BY DIANE FRANCIS

Just about a year ago, I landed in Kiev airport to begin a four-week journey throughout Ukraine and Russia. To my surprise, in Kiev's airport, most places on the terrace were from Muslim nations, including Iraq, Iran, Kuwait, Libya and Algeria. Equally in my surprise, after checking out my hotel, I discovered that entry onto the street floor was restricted because the entire floor had been reserved for one year by the Iranian government. That week, Ukraine signed an oil pipeline deal with Iran to make Ukraine less dependent upon Russia, which still supplies most of Ukraine's oil and natural gas. But one sees between potentially troublesome nations like Iran and a struggling nuclear power like Ukraine should be a worry to the world.

And now that Russia and the United States have both signed the signing of a sweeping disarmament treaty dubbed START II, the issue of Ukraine's amphibious predicament must be dealt with. That is because the Ukrainian parliament may hold at ratifying the amending treaty's ratification. START II, if signed by Ukraine and the other independent republics (Belarus and Kazakhstan) that have nuclear weapons, this means the substantial START II treaty won't be worth the paper it's written on.

The treaty between George Bush and Boris Yeltsin that appears to have been undeniably hasty. Not only were the three other nations here of the nuclear club ignored in the formal talks, but Ukraine and others complain about security considerations and the expense of the dismantling. Both concerns must be addressed immediately.

Ukraine, for instance, is worried and has historical reasons to be. The last thing that allies should want is for Russia to have the upper hand once again over a defeated Ukraine. Belarus and Kazakhstan because that makes it theoretically possible for a return to the old Russian empire, or the Soviet Union. As some countries, in January, Ukraine obtained a guarantee from its old oppressor,

Ukraine has promised to keep its nuclear scientists off unfriendly nations' payrolls, but nothing can stop them from being lured away

Russia, that it would not use nuclear weapons against them. But these countries also need to have complete guaranteed protection under NATO, to have Poland and other Eastern European nations.

Then there is the issue of costs. Dismantling the huge atomic and nuclear facilities will cost billions. The treaties with the United States promise, however, not to fully defray the costs, but revenue-sharing arrangements between Moscow and Ukraine, Belarus and Kazakhstan have not been discussed.

That is critical to Ukraine because, for instance, last year Russia collected Ukraine's actual nuclear weapons (nuclear warhead weapons) then turned around and sold to the United States fissile nuclear material from these weapons, without sharing the proceeds. That is why some Ukrainians argue that their weapons should be swapped only in return for direct compensation. Dismantling nuclear is both due to the delicate and difficult nature of the agencies and enormous restoration expenses. There is environmental damage around the sites.

Ukraine also has reason to be reified because the United States does not seem to recognize Ukraine and the effort as fully as

desire, overlooking Eastern European grievances that just happen to border Russia. The so-called Confederation of Independent States is almost toothless and yet Washington persists in sitting down with Yeltsin, who represents only Russia. This also applies to debt and aid deals in Moscow despite the headlines and runs the show from the eastern end.

Such steps ignore the significance of Ukraine's unilateral declaration of independence in August, 1991, which, by many accounts, was the end of the Soviet Union's collapse. Still, among to Ukrainians was George Bush's notorious "Clinton Kiev" speech in Ukraine's parliament, right after its declaration of independence, which urged the country to reconsider joining the Soviet fold. Imagine an American president actually wanting to bring up the former Soviet Union. Can you, I'm proud to say, because the first Western nation to recognize Ukraine's independence.

Fortunately, Canada is Ukraine's closest ally (with one million Ukrainian-Canadians here) and went to bat for it during closed-door debt discussions with the G-7. Germany, over the last's share of the former Soviet debt of about \$85 billion, insisted that no fresh loans be advanced until Ukraine signed loan agreements that would keep it as the bank for any unpaid loans if Russia and others were unable to pay them. Eventually, a treaty between the two countries was negotiated last year, but it all came because Russia would not also discuss or deal with the division of assets including foreign reserves, real estate, and other valuables. A tentative debt dividing debts and assets was announced in January, but anyone suspect that may also fall apart.

All of which leads me and others to worry that the nuclear weapons of Ukraine and others may fall into the arms of questionable alms. Fortunately, when it comes to nuclear weapons there, assurances have been taken in every Ukrainian nuclear situation, and some of those work for a U.S. funded institute in Kiev dedicated to helping clean up the nuclear reactor mess in that country. Clearly the institute is designed to keep tabs on scientists and to keep them off the payroll of such unfriendly nations as Iran or Libya or Iraq. Ukraine has pledged to prevent that, but nothing can stop someone from being enticed away by some despot who wants his own atomic bomb.

Honestly, the START treaty controversy will focus more attention on the fact that Ukraine and the others are still locked in a potentially dangerous Russian vise. Unable to negotiate direct compensation for disarmament, Ukraine and the others must rely on the generosity of their former enemy, which he has not been generous. Ukraine is unable to focus its own energy needs, and so it is at long to build a pipeline from the Middle East have been frustrated. If peace is to last, Ukraine and the others must be truly independent. But another way, if their current predicament is not overcome, their problems may end up becoming a bigger worry for all.

TROUBLES FOR THE NATIVE SON

By any measure, the downtown Montreal riding of St-Henri/Westmount is a bastion of the federal Liberal party. Voters in the ethnically mixed constituency have sent Liberal MPs to Ottawa since 1925, an unbroken record of partisan support stretching over 70 general elections and three by-elections. "This place has always been Liberal," complains Montreal tailor lawyer Thomas Davis, president for "the last few years" of the St-Henri/Westmount Progressive Conservative riding association. In recent weeks, however, Davis and his fellow Tories have sensed a new season for cheer. "Our fortunes are on the upswing," he says, barely able to contain his optimism. "For the first time in the living memory of anybody I know, we now have a better-than-even chance of bringing to an end the long Liberal domination of this riding."

With a federal election still months away, Davis's dream of a Tory victory in St-Henri/Westmount may yet prove unrealistic. But even many staunch Liberal acknowledge that their party's grip on the time-honored fortifies of area politics is beginning to slip. At the point where socialist Sir David Berger first elected in 1979 in neighbouring Lacombe riding, contends that he is facing an uphill battle for re-election. "Undoubtedly I have a few leaders to recruit," says Berger, a 43-year-old former federal trade executive who is in and out of the riding since 1980 and who has some of the handful of Quebec Liberals to survive Prime Minister Brian Mulroney's Tory juggernaut. Berger's problems stem partly from a sudden resurgence of Conservative prospects, apparently inspired by the possibility that Defence Minister Kim Campbell will assume the Tory leadership. But they also mirror the difficulties that fellow Liberals are encountering right across Quebec, including those facing party leader Jean Chretien in St-Nazaire, the riding where he plans to run in the next election (he now represents New Brunswick-Bellefleur riding). And that, in turn, does not mean well for the Liberal's chances of forming the next government. As one constituency-level Liberal activist whom he recruited, "I think Chretien cannot win in Quebec; not even in his own riding, how can he be expected to take the rest of the country?"

In public, at least, Chretien and his followers remain bullish about Liberal prospects in his native province. But there is no shortage of disgruntled voices within the party's own ranks. "We're not on the brink of becoming a national joke," maintains one veteran organizer. He adds that while the party won 32 of the province's 75 Commons seats



Chretien and wife Anne at St-Henri/Westmount ballroom

in 1988, primarily in ridings where francophones are a minority, "I see a distinct possibility that we will be reduced after the next election to no more than 13 Quebec MPs—eight francophones and two francophones." For his part, Jean Lagimodiere, the former Liberal cabinet minister who led to the Bloc Quebecois' election victory in 1993, became a Montreal-based political commentator, says that he cannot see the Liberals "winning more than 15 or 20 seats in Quebec." That prospect, he adds, "is already deteriorating the troops and spreading alarm among the leadership."

Even the Liberals' chief organizer in Quebec, Senator Peter Russell, is no longer predicting a major sweep in the province. Earlier this month, Russell publicly predicted that the Liberals would capture 20 Quebec seats, roughly equal to the number he expected the Bloc Quebecois to capture. It was a surprising admission from the normally top-hipped senator, and far less than the figures he had previously forecast when public opinion polls showed Liberal support in Quebec holding steady for the past two years at 60 per cent of the popular vote.

More recent soundings paint a far less attractive picture for the Liberals. An Angus Reid survey conducted between March 15 and March 18 suggested that Conservative support in Quebec would jump to 47 per cent with Campbell as leader from 20 per cent now. Angus Campbell, the Bloc Quebecois had 32 per cent of the Liberals had a margin 14 per cent. "The new polls have been devastating," said one Montreal-area riding president, lamenting the sudden evaporation of Liberal support. "They have been showing

that people were ready to vote for us as far as getting Mulroney but quick to drop us as far as a new face—even if they know next to nothing about what's behind the face."

But for many Liberals, Chretien's confidence

presented himself as a candidate in St-Nazaire, where he holds being beaten, at order to stay in the province in Quebec. We could easily have chosen an absolutely safe riding for him, but he refused. The image that he is being projected is that of a leader.

So far, at least, Russell's party and those have been unable to replicate Chretien's tailored image. The 34 Liberal candidates who have been considered to run in Quebec include a number of new and potentially attractive faces such as Michel Drapeau, a former minister in Paris, and Simon Valinakis, a well-known economist. But there have also been some questionable choices, such as Carol Sisson. In February, the former provincial Credit-Trust employee, a constitutionalist in a Quebec City riding, made the diary of members of the party establishment in Montreal who loathe St-Henri's right-wing views on immigration.

THE TORY RACE



Defence Minister Kim Campbell, who has been described by critics as ideal and arrogant, finished last in the race to replace Prime Minister Brian Mulroney by winning the "give government back to the people." Although Campbell promised to avoid meddling with public pensions in the weeks ahead, her biggest challenge will likely be to maintain her momentum as the runaway favorite in a field of five declared candidates (page 16). In other developments:

- Environment Minister Jean Charest, widely seen as Campbell's strongest challenger, said that Ottawa needs to pay a leadership role in helping the poor and the unemployed.
- Leadership hopeful Patrick Boyer criticized Mulroney's government for not doing enough in control spending.

QUOTE OF THE WEEK

"That's agriculture."

—Solicitor General Douglas Lewis, during journalist questions about Kim Campbell's admission that she asked a ranchman near to the 1993

THE RODRIGUEZ APPEAL

The Supreme Court of Canada agreed to hear this week the appeal of Rodriguez, who is currently 31 with Lou Gehrig's disease and is seeking the constitutional right to end her life with a doctor-assisted suicide. Doctors have told the 40-year-old Victoria woman, who has had two previous heart attacks in British Columbia, that she has between two and 12 months to live.

REFORMING THE DEFICIT

Reform Party leader Preston Manning promised to slash federal spending on social assistance and discuss child-care issues to Canada's with annual increases over \$24,000 if his party forms the next government. The proposals are among several measures outlined in a Reform program—due to be unveiled this week—that Manning says would erase the \$34.4 billion federal deficit over four years.

HAUSD CASE DROPPED

The Crown attorney's office in Ottawa decided not to prosecute at least 127 Canadian diplomats who are suspected of smuggling more than \$500,000 in fine travel cheques in the late 1980s. The case, reopened by the RCMP that charges he led was discontinued because the case would have been too expensive and time-consuming, officials said.

BETTER MEDICINE

The Quebec government announced a two-year freeze on public sector wages and benefits. Union leaders denounced the move, which will affect the province's 350,000 public employees, and warned of possible labor unrest. Said Raymond Desautels, president of the Quebec Federation of Labor: "We don't want a head-on collision at Quebec. But you have to choose: sometimes that is resort to a wide degree of mobilization."

NOT QUILTY

Former Quebec Conservative MP Gladys Miall was acquitted of bribery charges. In January 1991, while she was working as executive assistant to then-banking minister Alan Rock, Miall admitted to letter authorizing a Dec. 30, 1990, salary increase to \$80,000 a year from \$60,000 so that the raise would be retroactive to April 1, 1990. Miall said that she believed she was supposed to receive a retroactive increase—a claim backed by Rock's Public Order Canada Judge David Poffo. "She did not have the guilty mind required to convict any person of a criminal offence."

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CANADA

and education and other issues.

His days before Samson's nomination in Quebec East, Chrétien's close chief of staff, Jean Pelletier, found himself at the center of another controversy. According to Mail-borne Boulevard Tower, who was working the party's nomination in Vancouver's Mount Ararat/Orinda area, Pelletier cautioned him about the difficulties a black person would encounter winning election in the Quebec City area. The Chrétien aide later publicly withdrew his comments—and there went on to lose the nomination.

Overcoming an image problem, the Liberal hierarchy has appeared eager to hand a number of constituency-level disputes over candidate selection. Many of Berger's problems in Montreal/Westmount, for instance, were a challenge launched by former Liberal cabinet minister Donald Johnston, now the party's national president. Johnston, who represented the riding when he was a member of Pierre Trudeau's government, had initially received Chrétien's approval to challenge Berger at its open nomination meeting. Under pressure from his caucus, however, Chrétien reversed his decision. Johnston then withdrew from the race, prompting a bitter fight among members of the riding's executive and opening a long-sought opportunity for the Centre-righters. "If the Tories want this riding, all they have to do is come forward with a decent, ball-tossing candidate and be-

lieve Chrétien's principal secretary, Edward Goldenberg, who had sought the nomination in the suburban West-end riding of La Prairie.

Chrétien's willingness to intervene in nomination battles in Quebec and elsewhere has only heightened the contrast with the most recent scolded Elgin Blager, who became the party's candidate in the Mississauga riding of Churchville by announcing last week, Harper, a reform provincial New Democrat, kept in national attention in 1990 when he helped to block the Meech Lake accord. Even though many influential Liberals, including deputy leader Sheila Copps, opposed Harper's Liberal candidacy because of the harm it might affect on the party's chances in Quebec, Chrétien was not among them.

And in Quebec, party workers explain that they will now have to explain to voters why the party chose to affiliate itself with a man whose actions undercut Quebec's constitutional interests.

"Elgin Harper is just becoming a kind of flag in Quebec, signifying the Liberals' problems there," former Conservative cabinet minister Marcel Masse told Albritton's. "He symbolizes the Liberals' insensitivity to Quebec."

Maatani MP Paul Martin, however, argues that the party's problems in Quebec are only a "temporary bug," and that beneath the surface the Liberals remain "a pretty good shape." Indeed, Martin insists that the recent Tory revival in the province is actually

good news for his party, because it will draw support away from the massive Bloc Québécois, giving the way for a three-way fight and, in his words, "making it easier for us to slide right up the middle." He added that he believes the bubble of support for Campbell will eventually burst. "She's going to be pushed right in the wall over the next few months," Martin said. "And when she's finally forced to explain herself, the voters are going to see pretty quickly that she really does not represent any fresh new breeze in Canadian affairs." For the moment, however, it is the Liberals who are being buffeted by the political winds, particularly in Quebec.

BARRY CAHILL is featured with MARY JOHNSON and GARY KIMBLE in Ottawa

CANADA

'A separate identity'

Kim Campbell claims to be different

In Vancouver last week, Kim Campbell would little have in pulling a central theme of her campaign for the federal Conservative party leadership. Launching her candidacy before 1,000 supporters at her home riding of Vancouver Centre, the 46-year-old divorcee modestly declared, "I like to change the way people think about politics in this country by changing the way politics is done." Campbell, who enjoys a commanding lead in public opinion polls over her nearest rival, Environment Minister Jean Chrétien, also appeared determined to highlight differences between herself and the man she hopes to replace—Prime Minister Jean Chrétien. At a news conference, she pointedly stated, "There are all sorts of ways in which I am different from Brian Mulroney—and I have no question about articulating a separate identity."

Still, Campbell is unlikely to expect radically from the Tory policies that she vigorously promoted—and helped to shape—during her last years in a cabinet minister in Mulroney's government. But Campbell insists that the current government's agenda is almost finished—as



Campbell's victory over the campaign's speed

Campbell is free to outline new policies in fields where the government has not yet made the need for better and bolder actions. She will likely call for tighter controls on the deficit and outline detailed programs to re-

train workers who have lost their jobs in the fiercely competitive climate of the 1990s. Said William Hewitt, an Ottawa-based corporate lobbyist who is a senior adviser to Campbell, "It is possible to be fresh and new without denying where you came from."

Campbell has promised that she will, in fact, release a detailed economic program before the June 13 leadership vote. Last week, though, she concentrated on presenting herself as an agent of change—issuing a directive to her workers to ensure that her campaign "maintains high ethical standards and is not excessive in its attacks on other candidates or their supporters." She even acknowledged to the Ottawa newspaper *Le Droit* that she had once tried marijuana. "I inhaled the smoke," she said in a play on U.S. President Bill Clinton's statement that he had tried marijuana, but had not inhaled. In another interview, she expressed eagerness to how quickly the leadership campaign had unfolded so—and how her own popularity had skyrocketed. "It is happening so fast," she said. "You need time to prepare, you need time to think, you need time to reflect." But as Campbell will soon discover, those lessons are now behind her.

E. KYLE FULTON is in Ottawa with MARY JOHNSON in Ottawa

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Beauchamp (left) at council meeting; frustrations and ugly decisions

Speaking out

Ottawa-area francophones fight to survive

Gaston Roy settled into the plain-wood chair, arranged his notes and then addressed the nine-member city council of Gloucester, an Ottawa-area community of 141,677 people. The 51-year-old francophone real-estate consultant introduced himself in French. But then he immediately switched to English to present his neighborhood's objections to a proposed new property development. Disputed was a debate over language that has at times split the community. Roy cheerfully explained that he was using English in order to better represent his mostly English-speaking neighborhood. The six English-speaking and three French-speaking council members—including Mayor Gaudette (see sidebar on p. 16)—later, outside the council chamber, he elaborated on his decision. "I know there were some francophones who probably felt saying, 'Gaston Roy should have spoken French,'" he said. "But if you are trying to sell something to council and some of them speak no French—and you speak French on principle—well you make your point."

Such pragmatism is common among members of Gloucester's 20,000-member francophone community. But tensions have erupted recently over demands by French-speaking residents for more municipal services in their own language. Spearheading the fight is the Ottawa-area's only French-language daily, *Le Droit*, which marked its 60th anniversary last week. For editor in chief Gilbert Lavoie, who

took over in January, 1993, after serving almost three years as Prime Minister Brian Mulroney's press secretary, the aim is to ensure the survival of the region's small but vibrant francophone population. While the Ottawa-area francophone community has grown slightly over the last five years—from 125,623 to 126,540—it has shrunk from 29.4 per cent to 18.3 per cent as a proportion of a larger, increasingly diverse population. And successful, well-educated francophones like Roy, prepared to speak English to make their point, are more and more common.

According to Lavoie, it is time for English institutions to incorporate. "We have taken a hard stand on this issue because it has great symbolic value."

Linguistic frustrations have led to ugly incidents in Gloucester. Last fall, a predominantly Frenchophone badminton club refused to allow anglophone members to renew their memberships. The club's French-speaking members complained that they felt prevented to speak English because of the increasing presence of unilingual anglophones. After pressure from city council, the club backed down. Says Mayor Cam

the club's efforts to preserve its French identity. "It was stupidly done."

More recently, Gloucester city council has been at the centre of the storm. Last year, the council commissioned a dependent immigrant consultant René Lévesque to examine whether the city was providing adequate French language services. In February, Lévesque delivered several recommendations, including adopting a bilingual agenda for council meetings and to make more translation services. The council approved most of Lévesque's suggestions, but the six anglophone councillors voted to delete one key recommendation: the creation of an advisory council to monitor French services and to reassess improvements.

Explains anglophone councillor Daniel Beauchamp: "I didn't think there was enough work for them to do and these things became make-work projects."

That view provoked a backlash. *Le Droit* characterized it as "Gloucester's shame," and francophone residents showed up at council meetings at a city council meeting that was held—unusually—in English only. Beauchamp further inflamed the debate by stating in a community newspaper column that only a few selfish francophones were dissatisfied—and that if services were increased they might also have to be offered to such other groups as Italian and Lebanese. Francophones have lived in the area since 1850 and, says Lavoie, the minority sees that "we are immigrants in this country."

Gloucester has since offered its francophones an olive branch: a pilot project of simultaneous translation at council meetings. Still, at an estimated cost of \$800 a meeting,



Roy: rising criticism

some francophone residents who are saying about their future is an increasingly anglophone community.

NANCY WOOD in Gloucester

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of the \$1.4-billion-a-year program, "you have fewer kids going deeper into the system, which is an absolutely more expensive."

But whatever promise Reno's intransigence held for reduced future violence, they have failed to staunch the rise in crime. While the index of all serious crime, a compilation that includes the incidence of murder, rape and major drugs per 100,000 people, rose by 12 per cent in Florida between 1991 and 1994, the rate in Dade County increased by 25 per cent over the same period. By the end of the 1990s, Miami's beleaguered citizens were reporting nearly 700 instances of serious crime every day.

That record has opened Reno to criticism, especially from police officers who were already frustrated by her energetic crackdown on their use of force against suspects. "Katie's criticism was not pursued with the vigor that the community deserves," charged John Rivera, the president of the 3,000-member Dade County Police Benevolent Association. As a result, Rivera said, "the job has gotten tougher and tougher, with less and less support from the state attorney's office."

Another police, there is particular contempt for the former state prosecutor's leniency towards young offenders. "As far as juvenile police goes, we are Dade County officer and Alameda's last week," the officers snicker. Discouraged by seeing the same youths repeatedly arrested and released with little or no punishment, the officers said, "we don't even



Reno, new thinking, angry cops

arrest them any more unless we absolutely have to." Reno's sacrosanct accolades that the criticism is fair. "They're right," said Rios. "We have to really reexamine our thinking about youth violence."

New thinking, however, is what Reno ex-

celled at during her bag tosses as Miami's senior law officer. And it has not taken the new attorney general long to demonstrate that she is determined to drastically reshape the thought processes of the 35,000 people who now work for her at the department of justice. Dropping the bureaucratic title of "General," by which some prosecutors insisted that they be addressed, Reno instructed her staff to simply call her "Janet"—or even just, "Hey you." But in a move that underscored her seriousness, last week she also ordered all 94 senior federal attorneys appointed during the Reagan and Bush administrations to submit their resignations so that Reno said she could rebuild the department in a form that "represents my vision and the vision of President Clinton."

In Miami, the blunt confrontation was viewed as a classic demonstration of Reno's directness. "It makes me optimistic," said lawyer and black activist Smith. "With Janet Reno, even when I thought she was doing wrong, I knew she was honest. That gives her a tremendous opportunity to heal a lot of the wounds that have been a cancer on the people of America." In a nation increasingly out of contact with street crime, however, Reno will also need to prove that she can contain today's vice while dismantling tomorrow's evils.

CHIRS WOOD is Miami staff
LOUISA DEBARD is Washington

Hotel Stars Come Out

Vancouver is a wonderful hostess. The city has a sparkle in its eye from the downtown lights, a warm embracing feeling from the mountains and a bright wit reflected in the harbor's waters. Staying in a place that complements these beguiling features makes all the difference. In a short stay, the Vancouver Centre Hotel has captured the spirit of the city.

On a recent stay at the hotel I tried to single out what has made this hotel so remarkable in a city of very fine hotels. My first clue was, of course, starting not on the face from my room, a view that is stunning. The 1,000 ft. hotel entrance peak landmark seemed to be peering just for my benefit. The harbor was a better-day world of boats, sea planes, trawls and tugboats.

A few hours in the hotel and something much more subtle, yet equally pleasing, began to make its presence felt. People with a subtle for making other people happy.

Now, good service is a norm in hotels of this caliber, but this place seemed to have something special. After a few moments with the hotel's

General Manager, Michael Kahl, I came away with a file that confirmed my suspicions. It wasn't just me who noticed the staff went far beyond the expected.

"Reno was extremely thoughtful and courteous, and we were most grateful for her business," read one Another and Karen and Tara, Guest Service Managers provided the kind of service I wish I could expect at all the hotels I do business. Karen typed a report for us when we were unable to get our computers working on our Sunday arrival date.

Enjoying through the notes I was definitely giving a sense of a strong trend. After a Bank of Montreal conference, one note read "What a fantastic show all of your people put on last evening. In fact, I cannot remember, in my lengthy career as a more polished officer," mentioned W. Warren the CEO added, "exceptional, all of the arrangements were first class."

Words like superb, delightful and outstanding filled the pages. My impressions were confirmed. The location of the hotel was indeed the most visible attraction, but knowledgeable people soon learned what such and every hotel guest knows on checking out.

The real proof of The Vancouver Centre Hotel is not the waterfront outside but the staff inside.

Night Court

A 'cop in a black dress' metes out novel justice

The chatter filling the pre-principal second-floor courtroom in Miami's Gerstein Justice Building died down as a slender woman in a black silk suit entered and stood quietly by the door. With the ladies and peace of the metropolitan model that she saw was, she seemed strikingly out of place amid the drug addicts occupying the hall-dorms rows of public seating. But the contrast was misleading. Sporting the manner standing at the rear of his court last week, Judge Stanley Goldstein recalled how she had looked when she had first appeared before him. "The man said, 'he told the cops, and he told her in the family's bedroom, 'I'm going to get you out of here.' Now, 31 years later, the scars from that cocaine-induced incident are still visible on the woman's sculpted cheeks. But, guided by Goldstein, she has kicked her drug habit and is now poised to open a fashion boutique in Key Biscayne, Fla. "They said you can do the same thing," Goldstein told the 36 or so defendants awaiting their fate. "If you can beat cocaine, you can do anything."

It is the message that addicts hear constantly from the 60-year-old judge who describes himself as "a cop in a black dress." Since 1989, the former Miami police officer has presided over a bond-waiting experiment in diverting addicts arrested for theft or small-scale drug sales from becoming inmates (previously established in the criminal justice system). Those who qualify are given an offer that most find difficult to refuse. In return for giving their rights to a speedy trial, they enter a year-long treatment program that boasts a stunning 60-percent recovery rate. Those who did not lose the charges against them in expedient court. "You give me six years," Goldstein tells them. "I'll drive you crazy for that one year. And I'll give you 40 good years after that. One for 40. That's better than the lots."

Goldstein's early direction reinforces the program's emphasis on individual responsibility. "Privacy means the management of personal resolve in the way to broaden inner conscience," Goldstein offers himself as an example. "I was a nasty cop," he recalled in his court last week. "How did I become a social worker?" I changed." With remarkable effectiveness, Goldstein is proving that even his deeply addicted listeners can do the same.

CHIRS WOOD is Miami

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THE DEVIL THEY KNOW

Few ever questioned Boris Yeltsin's popular touch, especially after he used his skills first to save Mikhail Gorbachev and then to wrest power from him in 1991. The essential question that both Russians and the world have asked since then is whether Yeltsin knows how to use power—be cause his instincts have always been those of a rebel, not a ruler. Now, as summer is unraveling the conservative political outsider who made a career out of railing against the system has been in charge for 15 months—and the system is in shambles. But Yeltsin shows no signs of letting his back be turned. Last week, he once again shored down a

soldiers selling their weapons to civilians. Meanwhile, the number of deaths who report for induction has dropped to 20 per cent from 80.

The biggest problem could be Yeltsin himself—his personality, his style and his seemingly flawed, blurry approach to the exercise of power, as unpredictable as a winter storm. One day after seeming to quell opposition to his rule with a forceful public performance, a disheveled Yeltsin appeared again in the legislature to deliver an impromptu and incoherent speech, spurring accusations from opponents that he was drunk. Yeltsin later said that he was merely exhausted from the stress of the crisis and the death last week of his 84-year-old mother. But his unorthodox

approach to politics has been evident ever since parliament chose the 60-year-old machine engineer as president of the Russian republic on May 25, 1991. He was elected as president by the Russian people in a historic vote on June 12, 1991. During the campaign, he said he did not belong to any political party because he wanted to be the leader of all the people. That declaration sounded more like a rebel war cry than political moderation.

But with no precise political philosophy, no platform, no party opposition to guide or aid in police guard of politically naive and displaced elites, Yeltsin became host of the world's largest nation. An indifferent administrator with no patience for detail, he has given the impression ever since of running the country from notes scribbled on the back of an envelope. Last December, shortly before the Congress of People's Deputies refused to confirm acting prime minister Yegor Gaidar, Yeltsin told friends that he wanted to join a political party after all. But he did nothing about it and instead resumed his direct appeals to the people to help him against his enemies.

However, the people may no longer be listening to the man born in a small far-long-term survival (page 28). Certainly the wild and uncontrolled hero worship Yeltsin enjoyed in his rebel days is long gone. Thousands of once-overwhelmed Moscovites say that they have grown weary of the miserable Kremlin debate that has no obvious relevance to their bleak existence. "There are no more, there is nothing and these guys don't go to any to occupy themselves other than knowing," Alexander, a reader on

Russia is sliding into chaos and Boris Yeltsin is under siege. But the rebel is better at fighting for power than wielding it.

The conservative political outsider who made a career out of railing against the system has been in charge for 15 months—and the system is in shambles. But Yeltsin shows no signs of letting his back be turned. Last week, he once again shored down a

Yeltsin's courage has never been in doubt, especially since that rainy August evening only 10 months ago when he climbed onto a tank to make his resistance that toppled the hard-line platform of a coup against the soon-fleeing Gorbachev. The newly Siberian willingly shared with his countrymen the dangers of resistance to dictatorship. But it appears to waver from them now is their unqualified support for the way he chooses to deal, often impulsively, with his enemies and the disheartening their vast and rebelliously motherland. The economy, stumbling toward perestroika, a free market and basic loyalty from obsolete factories, in a mass ethnic groups populating Russia's 22 so-called semi-autonomous republics have ever more chaotic. The press is free but the news is mostly bad. Poor morale and corruption have spread through the armed forces and there are numerous accounts of

President for the moment a lifelong rebel whose blunt declarations sound more like war cries than political wisdom

IN RUSSIA, HIS APPETITE FOR LIQUOR IS A BADGE OF MERIT

Moscow's Tverskaya Street, said last week. Yeltsin Physchewy, a schoolteacher, and Yeltsin had promised that "Yeltsin in Russia would be at the people's expense. I don't think they care about people, so why should people care about them? Just drive Masha Berenikova around up the spathies in the streets. I summed up hell all week and got

on Saturday," he said. "On Sunday, I watched on the television and couldn't for the life of an uneducated man was going on, so I just switched it off." And reporter Boris Prigov said that the war at words between Yeltsin and parliament "is just like watching boxing on television. I may love one of the boxers but would hardly move from my sofa to support him even if I could."

Yeltsin himself should be sensitive to the reactions of public from everyday life. "The Kremlin is distant from the concerns of the capital's citizens, but it is half a continent away from Baffin, a hamlet in the Ural Mountains about 1,500 km east of Moscow where Yeltsin was born on Feb. 1, 1931. In his 1990 autobiography, *Against the Grain*, Yeltsin claimed that he had always been a rebel who turned to booze experience that began in infancy. "As the custom in villages all over Russia at baptism, the parents offered the priest a glass of beer, brandy, better, rum, vodka or vodka—whatever they could afford," he wrote. "My hair did not come until the afternoon and the priest, who had drunk many toasts, could hardly follow. He dropped one eye on the low tabled table, put out his argument with a parishioner and forgot to take me out." His parents remained and watched him from the tub. "The priest was not particularly worried. He said: 'Well, if he can survive such an ordeal, it means he's a good tough kid!'"

Many of the villagers lived in poverty and Yeltsin spent his childhood in one of the dense communal huts common to the Ural. His father was a laborer. His mother took in laundry and sewing and they had neither room heater nor running water. "Warm at all was the blanket when there were no covers to hide from the cold," he recalled. "We had no

warm clothes, so it was the old, tattered coat we used. I remember huddling up to the animal, warm as a stone. The six of us slept together around her on the floor."

Yeltsin's career as a rebel, he recounted, began when he first went to school. "In all my years in school, I was always the ring leader, always deriving some prank in the



Saying goodbye to his mother's favored childhood porridge

6th grade, for instance, I made all the class jump out a first-floor window when the class mistress came in. We all laughed her. Yeltsin was expelled from public school several times for rebellious behavior and fighting. But he always got his way back by using the system against itself, appealing scheme decisions to a higher authority—and refusing to back down.

His first major job after finishing school was

managing a state engineering company in the Ural. He joined the Communist party and eventually became regional chairman. People in Yekaterinburg, the former Sverdlovsk, where Yeltsin was party boss until the mid-1980s, still recall how he frequently waived a number of benefits for the respect from the city Communist district Leonid Ibragimov.

It was Gorbachev who first detected Yeltsin's potential as an ally in his battle to reform the dying Communist system and, in 1985, made him party chief in Moscow. But he lost his two years later when Yeltsin's campaign against special privileges for officials undermined the party leadership. The attack on

Yeltsin by his parliamentary adversaries during the past few weeks echoes Gorbachev's scathing rebuke at the time. "Have you realized such lengths of self-administration and to your opinion of yourself such that you put your ambitions above those of the party and our nation?"

Yeltsin's unimpeachable and early based ego was surely on the minds of the White House and state department planners of this week's scheduled summit with Clinton in Vancouver. For example, when then Secretary of State James Baker visited Moscow in April, 1991, Yeltsin refused to attend a dinner that Baker gave for the leaders of the 15 Soviet republics. Instead, he wanted Baker to meet him on his own ground—at the Russian legislative. And Yeltsin's impishness has occasionally bordered on recklessness. When the weekly meeting between him and Gorbachev had become overly tense in 1991, Yeltsin at one point urged his followers to wage war against the remnants of the Soviet control

government. He later apologized for his over-the-top rhetoric, which resulted in a shaming. "Maybe I should have just read the text of my speech" (that has tendency towards brinkmanship) phrase. In the early stages of the current crisis in December, he denounced that the Russian people chase between him and the Congress of People's Deputies. The shocker occurred when the two sides agreed to conduct a refer-

endum in April on who really rules Russia, although the Congress later revoked the agreement after a dispute over the wording. But Yeltsin said last week that he will go ahead and hold his own referendum.

Despite persistent rumors since his widely publicized December clash with the Congress

that Yeltsin has tired with the idea of imposing presidential rule backed by the army, he has been careful not to force the military's hand. But should his position become even more precarious, he may find himself under increasing pressure to do something. Last last week, Vice President Alexander Lukashenko

before the Congress to denounce the market reforms Yeltsin has introduced. The fury of Yeltsin's attack aroused concern that the army might follow the lead of the neo-conservatives, a danger at least. But Lukashenko said that later service would likely leave the army cornered by Yeltsin's display of power.

Yeltsin's public life has been well documented since he first arrived in Moscow eight years ago by comparison. His personal life is shrouded in secrecy. In the West, speculation that he drinks heavily, often disappearing from his official duties for two or three days at a time, is infatuated. But in Russia, where interpersonal is common, the president's appetite for liquor is widely considered to be a badge of merit. Yeltsin freely admits that he drinks and, in fact, returned school to Kremlin reception and state dinners after the bestselling Gorbachev story about Yeltsin's doctors say that he has great stamina and enjoys good health, although he has a minor heart condition and occasional high blood pressure.

Unlike Gorbachev, Yeltsin keeps his wife, Naina, a former reporter, and their two married daughters in the background. In a dark corner, with the black curtain, Mrs. Naina said last year. Naina Yeltsin said "Our whole family life turns around Boris. He is the center. We need to make his life as easy and as nice as possible. He never allows us to go in his [political] affairs. He never allows me to do anything by himself. I even I say something, he takes that as an understatement. He knows perfectly but he does not mean." Yeltsin himself blantly and publicly declared last year: "Of course, my wife has a view of her own and she is free to express it." Then he added: "But in my family, I am the boss." It is the by-stander world of Kremlin politics, that is a role Yeltsin would surely like to play in the shadowy life of Mother Russia as well.

RAND CORRELLS with
MILICORP GROUP in Moscow

THE PLAYERS



RUSLAN KHASBULATOV
Parliamentary Speaker



VALERY ZORKIN
Chairman, Constitutional Court



PAVEL GRACHEV
Defense Minister

The 50-year-old former economics professor has emerged as the most powerful opponent of Russian President Boris Yeltsin's fast-track economic reforms. An speaker of the 1,200-member Congress of People's Deputies, the irregularly sitting assembly that is Russia's highest legislative body, and the smaller standing parliament, whose 247 members are drawn from congressional ranks, Khasbulatov is the standard-bearer of Russian conservatives. A former ally of Yeltsin, he now accuses the country toward a dictatorship. But Khasbulatov, himself, often displays authoritarian tendencies. A Chechen, a member of one of the mountain tribes from southern Russia's turbulent Caucasus region, which has a well-deserved reputation as fierce fighters, he has acquired, during and manipulated turbulent legislative in his power struggle with Yeltsin.

Zorkin and his 52 fellow judges of Russia's Constitutional Court have the daunting task of interpreting and upholding a constitution that was written during the Communist era—and that is now at the center of the power struggle between Russian President Boris Yeltsin and parliamentary chairman Ruslan Khasbulatov. Last week, after Yeltsin declared that he would rule by decree and hold a referendum testing popular confidence in his administration, Zorkin's court must then plan unconstitutional. That, in turn, fueled demands for the Russian president's impeachment. As Russia continues to emerge from the shadows of the Soviet era, 50-year-old Zorkin, a former Communist and law professor at Moscow State University, will likely find himself at the center of many battles to come.

RAND CORRELLS with
MILICORP GROUP in Moscow



Pro-Yeltsin demonstrators search in Moscow living through a period of epic historical change

and a country in economic and political chaos.

Not have the armed forces themselves escaped that disaster. During the past month, Russian armyman and civilians have been shocked by revelations of corruption and mismanagement within the military, including evidence that last year's soldiers in the Russian army starved to death.

In February at an independently provisioned hotel here on the Pacific coast. In the same region, prosecutors have charged an air force general with using his position to exploit his contacts to shut down his business and enterprises and from China. Said chief military prosecutor Valentin Pavlov: "What is going on in the armed forces is only a reflection of general instability in society."

Officers and men now engage in a practice that Russians refer to as "spontaneous privatization"—the open selling of army-owned Kalashnikov automatic rifles and other weapons to eager local buyers. More dis-

in the best means of modernizing the country's defense forces. And to date, he has secured the cautious neutrality of Defense Minister Pavel Grachev.

Said, still, would organizations of distrustful armyman blindly protect that any further attempt by the president to restrict the army will surely lead to Yeltsin's downfall. Said Col Stanislav Trochkin, the leader of the ultra-conservative Officers' Union: "The high command might back him, but the army in a whole would not follow." Even the young Moscow hawk club, charged not yet to be so sure that Yeltsin might play the so-called army card. Said Medved: "That could lead to civil war. And even draft conscripts would have to pick up a gun."

From the black-painted pump that is the only source of drinking water for Tamara Ivanova's neighborhood, Moscow is a 220-km journey to the southwest over bad roads. Ivanova, 34, lives in Suzdal, a picturesque town of 12,000 that is one of the oldest settlements in Russia, with a striking revival in style and wood of its history. Once doctors, tall towers and monastery walls rise above the surrounding plain to create the impression of a place embedded in the distant past. But despite its appearance as an idyllic town, Suzdal is a place where the forces struggle for power that is controlling Russia's capital. And there, in Moscow, people are divided. Said Ivanova: "I am for Yeltsin, but the country is being split apart. People are now worrying openly about civil war."

Somebody laughed at the quote, then cracked himself for expressing such distrust.

sentences: "Who cares what these fools do in Moscow?" she added. "We have everything we need here to survive on our own." In a room sitting in grim control over local accounts, Moscow can seem distant and irrelevant. But even in Suzdal, people are slowly aware that they are living through a period of epic historical change. Alexei Stepanov, a 25-year-old entrepreneur, was busy last week with plans to set up a business selling computers and calculators—at lower prices than currently prevailing—when he was interrupted by a group of men who also to offer an analysis of Russia's troubles. "We are going through another revolution and now we have reached a stage where hard choices have to be made," said Stepanov. "I am for reform but, like many people, I had assumed that we had managed to achieve a break with our past, almost without bloodshed, when the attack in Moscow lifted in 1991."

For Stepanov, Stepanov and seven other men who gathered around the water pump on a cloudy spring day last week, that meant talking with Yeltsin. The Russian president's appeal for popular support appeared to be taking root in the fertile plains of the region. To be sure, demonstrations were frequently held, and finger with complaints about the daily struggle to survive on in towns crisscrossed by military vehicles. "My husband is in a revolt and all we can afford is bread and milk," said Evgeniya. But she added: "We can never go back to communism now. Our lives are hard, but if Yeltsin succeeds, then perhaps life will be better for the next generation."

Even to such quiet backwaters in Suzdal, there is little respite from Moscow's deepening political crisis. All seven of the women who were chatting around the pump and that they now left alone and make up their minds constantly at home to catch news bulletins on the latest developments. Said 23-year-old Natalya Mikhailovna: "I wish I didn't. I usually get angry when I look at the news on television in Moscow." And in a town whose history spans such traumatic events as the 13th-century Mongol invasion, many people foresee more upheaval ahead. A benevolent but ruthless ruler is clear that he was hoping for the restoration of communism. Congressmen, he said, had only a 50-50 chance of working in the still-potential village that is a perfectly preserved record of Russia's past, but was showing warning that the country may not be able to avoid equally catastrophic events in the near future.

MALCOLM GRAN in Suzdal

COVER

Gringo-politician's stirred out of the front pages, and Moscow newspapers carried the last their exchange of threats last week. At times, the only people who seemed to enter in the troubled country were the now familiar western leaders, supported by the cry of a few thousand demonstrators who turned up outside the Kremlin to provide a backdrop for the drama unfolding outside. But away from the narrative of the constitutional struggle for control, Russian began to talk openly for the first time about the divided possibility that the dispute between Boris Yeltsin and his parliamentary foes might burst out at the realm of politics. (Yeltsin, planning the capital and the vast exposure of Russia beyond any violence.)

Fueled by tea and vodka, the prolonged discussions around kitchen tables focused on what had been previously mentioned only in fleeting, nervous whispers—civil war.

As he dispensed Western cigarettes and soft drinks through the narrow window of a kiosk in central Moscow, a barrel-chested

WHISPERS OF WAR

COULD RUSSIA BE PLUNGED INTO DARKNESS?

who instead glanced occasionally towards the nearby White House, where the Russian legislature sits. From there, the weary shouts from a small band of demonstrators protesting against Russian President Boris Yeltsin found through the chilly spring air over busy Natushinsky Prospekt. "I am for Yeltsin but I hope for his sake that he does not have to

call on the army for support," said the 29-year-old clerk, who insisted that he be called Medved (Bear) because of his muscular build. He kept his real name a secret because he had refused to report for his induction into the Russian army last fall. Stiffing a laugh, he added: "I had I not declared the unconstitutionality last year, I might now be in uniform, going away to defend the motherland, as the president, or God knows what."

Only one out of every five eligible conscripts is now showing up for induction day, a steep drop from the mid-1980s, when 80 per cent of potential recruits answered the call to arms. But draft-dodging is only one of the problems plaguing Russia's armed forces, the chief enemies of the outpower and equipment of the Soviet Army. The Soviet Red Army is still engaged in a morale-sapping and often humiliating retreat as voluntary returns to Russia from such former outposts of empire in Germany and the Baltic states. At home, they face a cold welcome, a shortage of accommodation



Soldiers shopping on the free market: an army in disrepair

If accomplished nothing else, last week's conference between Russian President Boris Yeltsin and his opponents had at least one effect: it sent Western leaders scurrying to assemble yet another summit and package for Russia. U.S. Secretary of State Warren Christopher vociferously called Russia's shaky transition to democracy "the greatest strategic challenge of our time." And Prime Minister John Major announced that the West must branch nothing less than a modern-day Marshall Plan to prevent a relapse into dictatorship. But even as the leaders struggle to show their commitment to Russian democracy—and insulate themselves against the possibility of being accused of "forcing Russia"—experts on the Russian process have a sobering message. Despite all the goodwill in the world, the reality is that almost nothing the West can do will have a quick impact on the lives of Russians—or on Yeltsin's struggle to survive.

There was no shortage last week of suggestions for helping Russia. The list included everything from a \$7-billion fund to stabilize the ruble and arrest the country's hyperinflation, to supplying disposable syringes to Russian hospitals. President Bill Clinton will likely give Yeltsin the confidence of a proposed new \$10-billion aid package from the leading industrial countries, the G-7 group at their planned two-day summit in Washington beginning on April 3. The package would likely offer relief on Russia's \$29-billion foreign debt, airport credits to buy Western food and goods and a program to help build Russian infrastructure. But in practice, any step will have little short-term effect. Even optimistic acknowledgment that it will take many months—two years—the Western aid has the kind of impact that would be felt among Russian citizens.

One reason for pessimism is the West's track record to date. After the 1991 coup attempt that led to Mikhail Gorbachev's resignation, Western leaders rushed to provide help for Yeltsin's new, reformist government. Last year, the G-7 pledged \$30 billion in aid. But only one quarter of that aid package has actually been delivered. Another stumbling block is that much of the aid and money now to be implemented, at least in the short run, through Russia's notoriously inefficient bureaucracy. Against the proposals

• Create a social safety net to protect Russians against the worst effects of poverty and unemployment. If the country's cranking state-owned enterprises are privatized at less than subsidies, most man-

HELPING HANDS

THE WEST TRIES TO RESCUE RUSSIA



A beggar in Moscow: the hard reality is that almost nothing the West can do will have a quick impact on Russian lives.

agement to allow utilization in 1996. But the demand has run far ahead of Germany's capacity to fill it.

• Bracebush: Russia's \$89 billion foreign debt. Allowing Moscow to defer interest payments on the debt, so the thinking goes, would let Yeltsin's government use the money to improve the economy and help its own citizens. But in fact, Russia has billions far behind on those payments already. A G-7 agreement to reschedule the debt would merely put an official stamp of approval

on that situation and do nothing to help Russia in general.

One idea that may form part of the G-7 package is an offer of financial aid to manufacture the country's key oil and gas industry. An increase in Russia's energy exports would bring in more hard-currency earnings and enable the country to help itself. That would assume that Western taxpayers that their money is not wasted, and proud Russians that they are not viewed as objects of charity.

ANDREW FRIEDMAN in London

been will go bankrupt and millions of people will lose their jobs. The West might help to pay social benefits to poor families and the unemployed, a feature that some experts argue would ease Russian misery. But such payments would have to be distributed through existing structures. And Soviet expert Jonathan Eyles "has been in to help for now on the corrupt, inefficient and demoralizing bureaucracy."

• Establish an independent central bank and a privatization system. Russia's central bank has hoarded hyperinflation, now rising at 30 percent per month, by printing vast quantities of increasingly worthless rubles. At the same time, the lack of effective ways to collect tax leaves Yeltsin's government with little revenue—a further temptation to simply print more money to pay its bills. Jacques Attali, president of the European Bank for Reconstruction and Development, has urged the West to help Russia create a new tax system. But Attali's suggestion that Russian military personnel could be recruited to become tax officials appears farfetched, at best.

• Build new housing for Russian soldiers forced to withdraw from Eastern Europe and the former Soviet Union. That might improve army morale and help to peel off a potentially dangerous group, but it will take trans-European credit and money housing part of the deal it struck with Gorbachev's government in 1996. But the demand has run far ahead of Germany's capacity to fill it.

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HISTORY'S MAN

REVILED AT HOME, MIKHAIL GORBACHEV STILL FINDS FRIENDS IN THE WEST

With the closing program that springs from their troubled history, Russians of an old age and old proverb that says, "You never appreciate what you have until you lose it." Since the death of the Soviet Union 15 months ago, Mikhail Gorbachev has clearly spent much time thinking about what he and his former fellow Soviets lost—as well as what they achieved. As he begins an eight-day visit to Canada in Calgary last week, a plunger, more reflective Gorbachev bemoans the air of a man who has just aged 40, while not yet discovered new ones.

In a 45-minute interview with *Life* in the penthouse of a downtown Calgary hotel, Gorbachev spoke, sometimes wearily, on topics ranging from his future plans to history to a spiritual rebirth in communism and his future to a spiritual rebirth in communism. Gorbachev said that he has now concluded, "Soviet-style communism by those who did not respect the proper development of people." Asked whether he has any religious affiliation, he replied, "I have no formal one, yet."

At 62, Gorbachev possesses many of the characteristics of the youthful, vigorous reformer who revolutionized global politics after coming to power eight years ago—and remains all of the elements of a political celebrity. Often up-and-at-leaves, he is fully at ease in North America where he is among friends and admirers, trading jokes and spontaneous remarks through an interpreter with a grace that many Western politicians would envy. With his conservative, well-oiled suits, expensive gold Rolex watch and confident ability to dominate a room, he could easily pass for a well-heeled Calgary oil industry executive. Even his manner of speaking has become more cosmopolitan. When he first came to power in the late 1980s, Moscow intellectuals used to privately mock his "peasant" speaking style that reflected his rural roots. Now,



Gorbachev arriving in Calgary last week, a plunger, more reflective, says who has just aged 40, while not yet discovered new ones.

Gorbachev speaks more slowly and his speech is littered with such Anglicisms as "televisions."

Last week's star tour was a whirlwind round of public appearances before select crowds. In moments organized by the University of Calgary, Gorbachev was repeatedly deluged by normally diffident students and well-wishers, business executives working his schedule. Even the most ardent admirer. The deeply conservative and free enterprise Calgary Sun newspaper had a front-page headline reading "Welcome" in Russian on the day of Gorbachev's arrival. And for extended time, hundreds of journalists covering the visit abandoned their

air of neutrality to join in standing ovations for him. Whether Gorbachev was doing a cowboy hat at Calgary City Hall or breaking away from bodyguards to shake hands with students, he behaved with easy grace.

Obviously an expedition aimed at raising funds for his Gorbachev Foundation charity, the speeches and media events also served a more commercial function. The well-orchestrated tour keeps a Cold War-era politician front-and-center before Western audiences, a practical strategy for a man soon to publish his memoirs of a rapidly fading

ing period of history. But, as Winston Churchill discovered in Fulton, Missouri, in 1946 many people are still eager to hear the opinions of a former leader during turbulent times. And behind the public house-do and smiling scenes, Gorbachev makes little attempt to hide his dismay over the current troubles in Russia, or his doubts for the man who succeeded him at the pinnacle of power, Russian President Boris Yeltsin.

In one speech, Gorbachev tore into Yeltsin as vigorously and rapidly as his renowned English-language translator, Pavel Palushchenko, was able to keep up with him. Indeed, after Gorbachev delivered a two-minute-long denunciation of the Russian president, a beaming Palushchenko offered only that Yeltsin "appears not to understand the gravity of his shock therapy policies." And, despite the fact that Yeltsin played a key and conspicuous role in defeating the August 1991 coup against Gorbachev's government, the last Communist leader hides none of his bitterness towards the man who later disposed him. Asked by Moscow's how Yeltsin will ultimately be judged, Gorbachev said curtly, "He will need a more substantial body of achievement in order to be judged at all."

Still, history's verdict on Gorbachev's one time as chief is the topic that clearly preoccupies him these days. While in power, Gorbachev was repeatedly criticized for his slowness in implementing such key reforms as the right to run private businesses or to own private property. Last week, he showed a hint of regret for an opportunity lost. "It is true, in retrospect, that I might have used different tactics in trying and in making these changes," he conceded. But Gorbachev also displays a Yeltsinist determination to defend his record and his place in history. "I'll had to do everything all over again I would," he said to thousands of people from his University of Chicago audience. And he is most proud of the fact, he said, of "freezing freedom to my country and the way our people live."

That the grey Soviet lifestyle was buried along with the Soviet Union on his watch is undeniable. But Gorbachev and his close associates will appear scarcely pained by the alienation of the West and their own former institutions. Gorbachev and his friends, Palushchenko, showed effortlessly into Western manners and social culture. But some members in the entourage of his charitable group, the Gorbachev Foundation, are clearly less at home. Although Gorbachev has dipped easily into the habit of referring to his fellow Russians as *populoi* or *Mater*, some of his aides still address each other as "tovarich" or comrade—a holdover greeting from Communist days.

Back in Russia among the Communist alumni, Gorbachev is clearly regarded as history's man. Only Western reporters pose the question about his prospects for a political comeback. At home, where he

was the object of devotion among many Russians even when he was in office, most people would put the odds of his returning to power as only slightly better than those of Lenin. But Gorbachev himself bristles at suggestions that he is now far more popular outside his home country than within. When asked about his waning relevance in Russia, Gorbachev affirmed, narrowed his eyes and blamed the Russian media for that "biased" perception. Then he snapped, "I suggest you rethink that belief."

That was a rare cross comment in a hour that bordered on magical



Greeting crowds with words as normally delayed by normally difficult accidents and well-known business executives making his entourage

reverence between Gorbachev and his hosts. That week, he will speak to sold-out lunch and dinner groups in Montreal, Ottawa and Toronto, and meet with Prime Minister Brian Mulroney. Some advisers to Mulroney initially told him that it would be politically certain to see Gorbachev as close to the April 3 and 4 summit meeting in Vancouver between Yeltsin and U.S. President Bill Clinton. But Mulroney, and press secretary Mark Ezraevic, "lets the world will over this man our undying gratitude."

In Canada, Gorbachev appears certain to receive that reception. And, although exhausted by a 14-hour series of flights and a 10-hour time difference between Moscow and Calgary, he occasionally rose to the occasion. When the *Master's* at the news stand, Gorbachev appeared to be initially annoyed when asked to remain for additional photographs. But his manner quickly changed as soon as the lights were focused. Then, Gorbachev, who says he doesn't speak English, looked up at the camera, gave a wide grin and in perfect English smiled, "Cheer-up!" Even after leaving the farthest of the world stage, Mikhail Gorbachev continues to be one of its most satisfying players.

ANTHONY WILSON-SMITH in Calgary



Should we be the only ones using this word?

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POWER PLAY

AFTER FIVE YEARS
ON THE SIDELINES,
POWER CORP. JOINS
CONRAD BLACK IN
TAKING A STAKE
IN SOUTHA

At least 75 leading members of the Toronto investment community gathered in the gloomy outpatient dining room at the National Club on March 12. After a lunch of salad and flatbread, the group listened intently as the guest of honor, media associate Conrad Black, began his presentation. He listened enthusiastically over his most recent expedition: a visit to Toronto-based newspaper and magazine publisher Southern Inc. Later that afternoon, investors from the brokerage firm that had organized the lunch, BMO Capital, called several of the major money managers who had attended and asked their interest in a possible \$100 million stake of Southern stock. The coffers responded that the response was overwhelmingly positive. But just one week later, Southern abruptly changed its course. On March 15, it announced that it had concluded a well-placed private placement of 15 million new shares with Montreal-based Power Corp. of Canada, which is controlled by the Desmarais family. Barry Gordon, an executive vice-president at BMO, said that although his firm has no deal—and about \$1 million in potential commission fees—Southern's decision was understandable. "Investment investors have concluded that they don't know how to run a business," Gordon said. "Paul Desmarais has said publishing experience—and he's not much of a strapper for cash either."

Indeed, Power's \$100-million investment in Southern carries the risk of a remarkable display of corporate self-reliance. In 1986, at the peak of the market, the holding company notably sold its stake in a pulp and paper company, Consolidated Bathurst Ltd. as well as, two months later, Montreal Trustco Ltd. The cash proceeds of these



Desmarais, Desmarais Jr. (left), André (right) in better deal

sales came to \$1.8 billion net, as the company's executives set it, earned Power a significant annual investment income. It also earned Desmarais, the 68-year-old company chairman, a golden handshake as a retired businessman. (Desmarais, who prefers a low public profile, declined to be interviewed by *Maclean's*.)

But after five years of testing on these formidable corporate levels, industry analysts say that Desmarais and his two chosen successors, sons Paul Jr. and André, must now prove that they still have what it takes to succeed. Even though the senior Desmarais has bought Southern shares at a price close to their 52-week low, cutting a significantly better deal than Black, who paid \$18.20 a share, not everyone is convinced that the Desmarais might not help the struggling publishing company with its restructuring. Others, however, have expressed outright disappointment in his choice. Said Toronto's Fisher, a vice-president with Toronto-based investment dealer McMillan, Whelan Capital Inc.: "The attitude out there is, 'We have been writing five

years and this is it? It may turn out to be a big strategic investment—but that could take another three to five years to materialize.'"

Clearly, Desmarais does not make any investments lightly—or for the short term. According to senior Power officials, who spoke to *Maclean's* on condition of anonymity, each proposed deal is scrutinized from several angles—including the target of a 15-per-cent return on investment. It must be a significant percentage of a company's au-

thority. After that, Desmarais refrained to Europe where, through a 60-per-cent owned subsidiary, Power Financial Corp., he focused on building a presence in the financial services sector. In Canada, the company already controlled a blue chip insurance company, Great West Life, and mutual fund manager Investors Group, both of Winnipeg. Power's only subsequent, and still unconfirmed, jump into North America, before the Southern investment, was the talk of a deal with U.S. consumer coffers giant The Warner Co. last summer.

For outside investors, the challenge of understanding Power's long-term strategic plan is further complicated by the family factor. The Desmarais family directly owns about 62 per cent of Power, and Paul Desmarais has made a deliberate attempt to structure the company so that his two sons can succeed him with minimal disruption. According to analyst Fisher: "With Power, you have to accept that the price and the investment objectives will always be defined by the family agenda. You have to be willing to buy into this, to trust their judgment."

Already, the elder son, Paul, 38, has assumed responsibility for Power's financial services investments in Europe as the chairman of Power Financial and vice-chairman of Power itself. He has moved to Paris to oversee that business, which includes a stake in Geneva-based merchant bank, Paribas SA, and a piece of Paris-based Banque Paribas. For his part, André, 36, oversees the company's publishing and broadcast operations, which include the ownership of North America's largest French-language daily newspaper, *Le Devoir*, as well as three Quebec dailies, 16 radio stations and three television stations in Ontario and Quebec. He became president and chief operating officer of Power in 1991.

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begin to accumulate shares in Canadian Pacific Ltd. of Montreal. In 1991, both CP management and federal regulators told him to back off. He also signed a 10-year standby agreement. Lindsay Power's investment in the conglomerate is 15 per cent. Later in the 1980s, Desmarais' son André failed in attempts to buy a long-distance service, Télé Québec Canada Inc., as well as Montreal's largest French language television station, Télé-Métropole. Finally, after the Caisse de dépôt et placement, Québec's powerful provincial investment arm, blocked the merger of Power's Consolidated Bathurst with Donatien Inc., Desmarais sold the company to State Container Corp. of Chicago.

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Business Notes

EAM NAMES CHIO

International Business Machines Corp. of Armonk, N.Y., announced that Louis Gendreau, currently chairman and chief executive officer of J. Schaeffler & Co. Corp., has been appointed as its chief executive officer. Gendreau, 51, replaces John J. Schaeffler, who resigned in January following the announcement of the firm's record \$6.4-billion loss in 1992 and a subsequent cut in its dividend. Gendreau is the first executive from outside the industry to lead the world's largest computer maker in its 75-year history. Prior to 1984, Gendreau headed the mobile card unit at American Express Co. Previously, he was a senior advisor at New York investment consulting firm, McKinsey & Co.

CANADIAN BOND BONANZA

Statistics Canada says that the net purchase of Canadian securities by foreign investors soared to a record \$6 billion in January. The amount surpassed the previous peak of \$5.6 billion in October, 1991. Much of that foreign investment was in Canadian bonds, with a small portion going to Canadian stocks. Combined with December's gains, January's brought the two-month net foreign investment to nearly \$50 billion. Statistics Canada described that as "a major rise around from the uncertainty which prevailed between August and November, 1992, when non-residents divested \$2.4 billion of Canadian securities."

SEEKING SHELTER

The president of Labrador Ltd. filed for bankruptcy protection, saying the charter airline has cash flow and image problems. Robert Gladwin also said that the Montreal-based airline will continue to operate all its routes. About 1,000 non-union employees had to be retrained with a court order while Polarair restrictions as \$50-million debt. Still, two aircraft owned by Polarair were seized last Friday for nonpayment of dues by local support officials. Gladwin said that Polarair plans to appeal that action.

A LABATT WRITING LOOMS

John Labatt Ltd. of Toronto estimates that it will lose \$120 million in the planned sale of its U.S. dairy brand. Labatt's board of directors has now approved the sale of Labatt's Dancin in the United States, and discussions with possible buyers are underway. Labatt is also negotiating with the specialty of Adli Foods, an Canadian dairy business. Shareholders will vote on the plan at a special meeting that will be held April 26.

management of Power, Desmarais retains a full cast of experienced corporate lieutenants, including John Rice, brother of Ontario Premier Bob Rae. Among the directors of the corporation are former Ontario premier William Davis, Seagram Co. Ltd. chairman Charles Bronfman, former Ontario lieutenant governor John Aird, Senator Michael Trefield and former chairman of Imperial Oil Ltd. Andro Haydon.

It remains to be seen, however, whether the second generation will display the same influence as their father in building and ex-

equally aggressive. André Desmarais is married to France Christian, daughter of federal Liberal leader Jean Chrétien. During the Liberal party leadership race in 1990, Chrétien tapped Power's John Rice as his campaign chairman. Desmarais also employed Paul Martin Jr., son of another Liberal minister and a one-time Liberal leadership candidate himself. Desmarais is also a friend of former Liberal prime minister Pierre Trudeau and they went to the Soviet Union together in 1986.

Just as Desmarais contributes money to all

Desmarais made his offer to Southam's board of directors, he and Black concluded a private side agreement that establishes their voting party on Southam's board and sets out other conditions including first right of refusal on one another's equity holdings. Southam president William Arblin told Marlowe that he is not threatened by the alliances between shareholders, who now jointly control 30 per cent of Southam's stock. "They have the right to make such deals," he said. "It has no impact on us," he added. He said that he welcomed the publishing expertise of both new investors.

Still, he added that Power's offer "was extremely knowledgeable of how we do the business."

In fact, Power's revealment in Southam is consistent with Canadian corporate history. In July, 1985, speculation raged through the financial community that either Desmarais or Black was about to purchase a controlling interest in Southam. At that time, Desmarais was flush with cash from the recent sale of his stake in Canadian Pacific. Black had just purchased his first holding in the Daily Telegraph PLC of London and Southam had no single investor with more than 10 per cent of its stock.

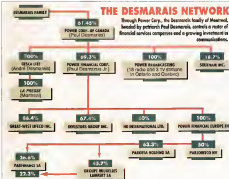
Rumors of a possible takeover campaign can be traced to the Southam buy-to-own decision to deliver a 20-per-cent block of stock into the friendly hands of Torstar Corp. in a controlled share exchange. Last November, however, Black finally acquired Torstar's 29.4-per-cent interest in Southam for \$225 million. Donald Thon, a management professor at the University of Western Ontario in London, noted "The case of Canadian business is that it is dominated by such control blocks. The same assets just got passed around between them."

Concerns about the close ties between the principal participants in the Southam deal are not widely shared—at least in business circles. In fact, Vancouver investment counsel for Milken Wong says that he welcomes the current postelection climate of "creative disinhibition" in Canadian corporate circles. Added Toronto-based money manager Ian Gledhill: "Guys like Black and Desmarais may look cozy, but the alternative is endless courts raising corporate lawfare. They're a huge improvement." But unless Black and Desmarais can make their new corporate alliance work, and turn Southam around, courts may start to look good again.

DEBORAH McMURRY

THE DESMARAIS NETWORK

Through Power Corp., the Desmarais family of Montreal, headed by patriarch Paul Desmarais, controls a roster of financial services companies and a growing investment in telecommunications.



trifling such key business and political connections, indeed, even a cursory glance at Desmarais's circle reinforces the frequent criticism that the control of Canada is concentrated in the hands of a chosen few who pass major corporate assets back and forth among themselves.

Desmarais, the son of a lawyer, grew up in Sudbury with two failed real estate developer and realtor Robert Caspey. Power controlled Caspey Corp. from 1970 until 1972 and both of Desmarais's sons worked there before Jeanne Power, Paul Jr. and André also worked at packaged food giant Standard Brands Ltd. where the family's first boss, John Johnson, was its Canadian president. Johnson has been on Power's board of directors since 1982. In the 1980s, Paul Jr. also worked in the corporate finance department at investment dealer Richardson Greenwald of Canada Ltd., which is part of the corporate empire controlled by the Richardson family of Winnipeg.

On the political front, the Power firm are

three major political parties. He also nurtured some powerful Progressive Conservative links. In his days as a Montreal lawyer, Prime Minister Jean Malréau counted Power among his clients. When Malréau ran for the leadership of the Conservative party in 1985, Desmarais contributed \$10,000, or 30 per cent of the public donation, to Malréau's Yes campaign during last year's constitutional referendum.

It was Malréau who originally introduced Desmarais and Black to the 1974 Black annual Holdings Inc. dinner in Toronto. Three years earlier, Desmarais had unsuccessfully attempted a takeover of Argus Corp., which, by then, Black had successfully acquired. The two later struck a deal that enabled Desmarais to sell his remaining shares in Argus to Black without receiving a bid. They are also reportedly linked to Black, P.L.C.

It was in John Deuch that Desmarais and Black negotiated the Southam deal. Before

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Black: offering skeptical minority shareholders a money-back guarantee

Defending a deal

Conrad Black focuses on an opportunity, not a risk

Conrad Black gets a little testy sometimes when he is asked to explain his business decisions. But the notorious tycoon is never at a loss for words. Last week, Black was testifying in the on-again Florida court town of Palm Beach. But he was also testifying a lot at last week's meeting in London and Toronto, the home bases for his British and North American newspaper empires. There, his latest big deal had created some confusion in financial circles. On April 15, Black's holding company, Hollinger Inc., is due to pay back \$188 million that it borrowed last November from Toronto Corp., publisher of *The Toronto Star*, to buy Toronto's 22.5-per-cent stake in Southern Inc., Canada's largest newspaper chain. But to do so, Black wants to tip into the hefty cash reserves at London's venerable *Daily Telegraph* newspaper 60-per-cent owned by Hollinger. As well, last month, Black formed a vague alliance on Southern's board of directors with Montreal's former Paul Desmarais, who bought an 18-per-cent stake in Southern in March 16. Last week, financial analysts and minority shareholders on both sides of the Atlantic questioned the wisdom of the deals. But it wasn't until, Black told Maclean's that the bottom

line is that "Everyone is going to get a nice uptick in the price on the stock price." At first glance, Black's arrangements with Toronto, Southern, the *Telegraph* and Desmarais are confusing. His goal, however, is clear. Because Southern has no single majority shareholder, it is a tempting takeover target. But the descendants of William Southern, who founded the company in 1883, still wield considerable influence on the company's board of directors, which has resisted several legal decisions in recent years designed to thwart a takeover. The most threatening is shareholder rights provision, or so-called "poison pill," passed by the board in May, 1990, which required anyone wanting to acquire more than 20 per cent of the company's shares to make an offer for all of them—a highly expensive proposition that just wrecked Black and that he and Desmarais had cracked those demands well cost them into "the double of history."

Still, in his bid to surrender the poison pill, Black has created more obstacles for himself. Hollinger paid \$259 million in November for Toronto's stake in Southern, which was exempted from the 20-per-cent rule in the poison-pill provision. Black agreed to pay \$18.10 a share, 15 per cent above the market price, to buy the big block

in one fell swoop. Hollinger put down \$70 million in cash and borrowed the rest of the money from Toronto itself. Black said that he did this for two reasons. First, he claimed that *Daily Telegraph* directors wanted that newspaper to buy some of the Southern shares immediately, but required the approval of minority shareholders to do so in a time-consuming process. As well, Black said that by borrowing from Toronto rather than a bank, he sidestepped a provision in the Ontario Securities Act that might have forced him to bid for all of Southern's shares.

Last week, however, Toronto president David Jeffrey disputed some of Black's recollections. Jeffrey told *The Canadian Press* that Toronto lent Hollinger the money "because they couldn't borrow it." For his part, Black now proposes to repay the loan by having *The Daily Telegraph* buy half of the former Toronto block of Southern shares for \$18.10 apiece.

But in London last week, some *Telegraph* minority shareholders asked why the newspaper should pay \$18.10 each for Southern shares after Desmarais bought his for \$14. The minority shareholders will vote on the deal on April 25. For his part, Black is so confident that he can help override Southern that he has proposed that the *Telegraph* can sell its shares back to Hollinger at any time over the next year for \$18.10 each. Said Black, "The stock should go like a rocket."

In addition to their share purchases, Black and Desmarais agreed earlier last month to support each other's nominees on Southern's board of directors, and to offer one another the first option to buy their respective shares if either decides to sell. Each tycoon controls three seats on the 11-member board. As well, Black said that the last remained of the poison pill, which prevented the two tycoons from increasing their combined stake in Southern above 47 per cent, will expire in two years.

To some shareholder rights activists, Black's private deals are cause for concern. Many Southern shareholders have long been worried about a so-called "caveat taker" of their company, in which a buyer might gain control through deals with individual shareholders, rather than bidding for shares on the open market. That open bidding gives all shareholders a chance to benefit. But any attempt to share power caused by a takeover battle, that Black argues that "What's in the shareholder's best interest is turning the company around, not continued preoccupation about takeovers." And to win over any skeptics, he is determined to push Southern's finances firmly into the black.

JIM DAVIS

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Time Warner's gambit

Sports Illustrated challenges Ottawa

The reception at Toronto's upscale Four Seasons Hotel set a tone for the Canadian magazine industry. Sports Illustrated, the New York-based weekly, had invited representatives from the country's major publishers to promote the magazine's first Canadian edition. The video presentation on Jan. 11 was part of a sales effort that generated 40 pages of ads in Sports Illustrated Canada, whose first edition was due on newsstands this week. But the first edition could also be the last. In January, Revenue Minister Otto Jelinek sent a letter to Time Warner Inc., the media and entertainment conglomerate that owns Sports Illustrated, warning that the firm could be violating Canadian tariff laws. Said Jelinek: "We may have to seize the next four issues coming into this country." Last week, Jelinek and Communications Minister Perrin Beatty also announced that they had established a task force to examine how to protect the Canadian magazine industry from unfair competition. Added Beatty: "The government wants to ensure that the policy frame-

work that fostered this industry is effective."

The decision to launch Sports Illustrated Canada, which Time Warner says will be Canadian because it will be printed in Canada and have a certain amount of Canadian and international editorial copy produced by the parent magazine in New York, is a major test at current federal law. In 1985, the Liberal government introduced the Canada Content (CanCon) Code to keep so-called soft-core editions of foreign magazines out of Canada. As well, the cost of advertising in foreign publications could no longer be claimed as a business expense. However, special "Canadian" editions of Time and Reader's Digest were exempted.

Previously, foreign publications, mainly Americans, with little Canadian content, could simply insert Canadian advertisements into their magazines and distribute them in this country without producing Canadian editorial material. In 1989, the Canadian industry secured additional protection under 88C C-58, which then laid in Canadian states. But last week, Catherine Norrle, executive director

of the Toronto-based Canadian Magazine Publishers Association, said that Sports Illustrated's attempt to launch a soft-core edition in Canada undermines the need to toughen both laws. And Jelinek said that the task force will examine ways to update the legislation to protect soft-core.

Meanwhile, Sports Illustrated editors in New York last week were preparing the first Canadian edition. The first cover image and story in Sports Illustrated Canada will feature a freelance article on Toronto Blue Jays manager Cito Gaston, said Sandra Berry, Toronto-based managing director of Time Canada. And although she would not disclose the amount of Canadian content in the weekly magazine, she added that five subsequent Canadian issues due to run in 1993 will also carry more Canadian content. Said Berry: "We want to give our readers more information on Canadian sports."

Berry said that one of the reasons Time Warner decided to launch the soft-core Sports Illustrated was because the magazine's



Berry: more information on Canadian sports

newsstand sales jumped from 7,000 to 40,000 copies for the issue following the Blue Jays victory in the 1993 World Series in October. "It became apparent that there was a great demand on the part of Canadians to read more about

their own teams," said Berry.

As well as claiming that the Canadian content of Sports Illustrated Canada exceeds it from the provision of the 1985 and 1990 legislation. Time Warner points to its decision to ban editorial copy in Canada as similar to a Toronto printing plant.

The company now faces that only its Canadian edition of Time magazine. And Kinschke points out that Time Warner has established the same system for Sports Illustrated Canada, it could easily continue using it for the regular U.S. edition. That would make it responsible for the federal government to relocate because industries would effectively be unable to intercept the transmission of papers. Said James Worthington, president of Maclean-Hunter Canadian Publishing, which publishes Maclean's: "We already have

Time taking millions out of this market and sending it down to New York."

Other Canadian publishing executives say that Sports Illustrated Canada is nothing more than a thinly disguised soft-core edition. The

company sold about \$240,000 worth of ads in the first edition of 36,250 a page. By comparison, a page in the U.S. edition, with a circulation of 3.1 million, was selling last week at \$124,625. James McGinty, president of Toronto-based Techmedia Communications Inc., says that in most soft-core editions, production costs are largely covered by U.S. advertising revenue and, as a result, they can sell ads in Canada at rates well below those reflecting the magazine's actual cost of production.

Worthington added that Sports Illustrated is not supposed to be a member of other U.S. publications could also start selling their magazines in Canada. They only real argument in Canada, he said, would be a freelance writers. "To be a Canadian magazine you launch a magazine here, and have management and editorial offices," said Worthington. "But that is not what Sports Illustrated is doing."

Jelinek said that even if the first edition of Sports Illustrated does not break any Canadian laws, the government does not intend to let the matter die. A task force is needed, he said, because neither the tariff law nor 88C C-58 are equipped to deal with such advances in satellite printing technology. "The government will review the whole policy," said Jelinek. "We are not going to let Time Warner run over our laws." The Sports Illustrated issue will directly be a major test of that expression of resolve.

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Allan Taylor's deal of the century

BY PETER C. NEWMAN

Last week's takeover of Royal Trust by the Royal Bank ended not just the recent epic career of what was once the country's largest and most profitable trust company, but marked the death knell of Canada's entire trust industry—a formerly powerful group of financial institutions that provided alternate sources of funds to the Big Six banks.

The shattered banks have now not only succeeded in eliminating competition by the trust companies, but in the past decade they have swallowed up virtually every significant stock brokerage house in the country—and last year were granted a licence to hunt and grab Canada's insurance firms. That nearly Canada's most powerful money institutions, they are now very close to a being a financial services monopoly, with unassailable veto power over who gets credit and who doesn't. (The only two major trust companies still remaining in the game are Canara Trust and Montreal Trust. The latter is for sale and will be absorbed in by one of the other banks. The former has decided to "join them if you can't beat them," and plans to apply for new status as a Schedule A bank.)

The downfall of Royal Trust was yet another example of how Jack Cockwell, the grand accumulator of the Bronfmans empire, mismanaged himself. The company's disintegration has been as dramatic as its rise, dating back to 1983 when it was acquired by the Edgar group, through Triflex, one of its chief holding companies. The once sleepy Royal Trust expanded so fast that it soon felt a cash crunch, turned it into a giant money machine, profitably carrying the same top-quality credit rating as New York's J.P. Morgan Bank. In one of the typical growth years, 1986, its net income, at \$154 million, topped a stunning 36 per cent. But then it became embroiled in Cockwell's boozing parties, expanded too fast in its efforts to go international, and lost it all. Michael Corbassano, the South African ac-

If the Bronfmans had not sold Royal Trust, its collapse would have triggered the worst crisis in Canadian financial history

countant who led Royal Trust to its greatest triumphs and its worst handiwork, once told me that his firm would always beat the banks at their own game. "Their very best defeats them," he boasted. "It takes so long to get by their every level of approval that opponents pass them by. Their style of management worked for the army and the church, but it's out of date in this technology-driven age."

Maybe. But it was Allen Taylor of the Royal Bank, not Corbassano of Royal Trust, who walked away the winner last week. The other winners were the Royal Trust executives consoling with the firm, who had an estimated \$80 million in loans forgiven by the Royal Bank. This was the money they borrowed to take up the Royal Trust stock options that were supposed to make up for their low salaries under the Cockwell regime. Corbassano, who resigned last fall after making a fool of himself by parading around a company office party wearing a pair of padded pinked breasts, will not be one of the lucky ones.

The Royal Bank paid \$1.6 billion to acquire Royal Trust's prime assets, including its North American and British Columbia operations, its large mutual fund operations (with assets of

\$3.7 billion) plus its 146 Canadian branches. In the process, the bank accepted the trust company's relatively modest operating liabilities, but turned back to the Bronfmans holding company (not formerly controlled Royal Trust) not only its huge liabilities (in the form of debentures and outstanding preferred shares) but the bulk of its illiquid assets. They consist mainly of \$4.3 billion worth of loans with variable maturities mostly in the low fields of urban real estate. At least a quarter of these loans are nonperforming and more are sure to follow. As a result, the stock market pronounced the true verdict on the deal on the day it was announced. Royal Trust shares lost 30 per cent of their value. They are now reduced to being penny stocks, three years ago, they were worth \$20.

The best news about the deal is that, unlike the Central Guaranty Trust debacle, Royal Trust debentures have been protected without any need for government intervention. The fall thus the Bronfmans empire has suffered with the collapse and subsequent sale of Royal Trust is difficult to exaggerate. If the Bronfmans had not sold Royal Trust, its collapse would have triggered the worst crisis in Canadian financial history.

All that's now left in the Edgar empire which can be found only on the London Exchange is its mostly controlled by Triflex, which still holds 49 per cent of Royal Trust's common shares. Shares that are now virtually worthless. This means that London life will almost certainly have to be sold, and that the Bronfmans will get almost no cash for it. Triflex and Bronfman, the other Edgar companies are sure to much they financial disaster that there is only one sharing asset remaining in the stable: Noranda Mines.

Nobody can be sure how much Noranda is worth because it's typical Cockwell behavior. It's based on the idea of being a holding company. But at least its assets are real, its debt position is relatively manageable and it has managed to maintain a share of corporate leadership independent of Cockwell's personal influence.

The only individual who emerges from last week's deal with any glory is Taylor, who has only got Royal Trust for nothing. He grabbed control of the largest pool of managed assets in the country—the more than \$236 billion in individual estates and other funds that Royal Trust has under its administration. Noranda, which is a treasure trove would be worth between \$2 billion and \$3 billion, but the Royal Bank chairman got it free because the \$1.6 billion he paid Royal Trust is being returned to buy back the underwater assets that the Royal Bank did not want. These questionable loans are now the responsibility of the Bronfmans holding company that used to own Royal Trust. Consequently, the new Royal Trust will be much more profitable than the old one, because it won't have to pay the heavy interest charges on its previously far-reaching debt load, while it can spread its overhead over both businesses.

All in all, it was the deal of the century.



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A TIME TO PLAY

Spring training is supposed to be baseball's happiest season. Working out in the warm, breezy atmosphere of tiny perfect ball parks in Florida and Arizona, the players begin anew in the sunny glow of wretched January, their slices done and their ball-playing jobs over, some stretching and chattering around them. Spring training is not supposed to be about tragedy. It is not supposed to include stories of young men with families and bright futures running their fishing boat into a dock on Little Lake Nellie in central Florida. The deaths last week of Cleveland Indians pitchers Steve Olin, 27, and Tim Crews, 31, cast a sudden pall over the game and made batting averages and fielding percentages pale to insignificance. "It just changes in perspective for all of us," said Blue Jay outfielder Jay Carter, a former teammate of Olin. "We got three kids all my age, so something like this really hits home."

At such a trying time, the players seemed to take comfort from the soothing rhythms of baseball itself. That sentiment was echoed by fans in major-league cities across North America, many still shivering in the cold and snow, and weary of all-season developments. Over the winter, baseball fans only are openly considered a lackluster at players as the collective bargaining agreement scoured his expiration, and they worried about the financial health of the game. Among other things, the last-year U.S. network television contract that pays each team about \$14 million per season ends later this year. Still, the victory-busy owners awarded a multimillion-dollar contract to the game's staff—and even to some of its more wretched players.

They also guaranteed one of their own: Margie Schaub, owner of the Cincinnati Reds, was banished from baseball for a year for making racist comments. Schaub (spelled just before the league welcomed back George Steinbrenner, the New York Yankees' partner of the New York Yankees, who had served a 84-year ban for consorting with a known gambler. Even the faded southern weather was in an eerie mood. Midway through spring training, a vicious winter storm that late into the century last season spun off 30-foot snowdrifts in Florida, leaving hundreds of people homeless—and forced the cancellation of many exhibition games.

Next week, with controversy and tragedy behind it, major-league baseball begins for

BLUE JAY AND EXPO FANS HAVE AMPLE REASON TO DREAM OF AN ALL-CANADIAN WORLD SERIES

real. Fans in Toronto will have to hope that the world champion Blue Jays, much altered in the offseason, leave their last baseball in Florida. Montreal fans will hope that the young and talented Expos carry their last spring performance into the regular season. In the bested pennant stretch last year, there was a short, sweet time when Canadian fans dreamed the impossible dream of an all-Canadian World Series. A recent tour of spring training sites suggests that, this year, supporters of both Canadian teams have ample reason to hope that the wonder of spring will become the wonder of autumn.

THE BLUE JAYS

Fans who lashed recent levels of optimism on the Toronto team last year should have spent the offseason basking in the reflected glory of their Series triumph. They did not. Almost before the crowds dispersed from the victory parade route, the championship pennant became a challenge. Jays trainers, known for not doing things that are not broken, decided that the team would go broke if they tried to reassemble the cast that defeated Atlanta last games to two last October. In the end, the team bade farewell to such stalwarts as Don Hulse, Jimmy Key, Dave Stieb, Mervyn Lee, Garry Mather, and Dave Cone and Kelly Gruber. Even left favorite Dave Winfield's pocket his bags. And who was added to the roster? Most notably, pitcher Dave Stewart and designated hitter Paul Mulvey—established stars, but somewhat shifty stars.

The starting turnover, however, has not cooled fans' passion for the Jays. Autograph hounds arrive as early as 8 a.m. at Great Field in Dunedin, the team's Florida base, which nearly sells out its

6,200 seats for every spring game. Many waited through the recent spell of cold and rainy mornings in the hopes of getting a Molitor or a Roberto Alomar signature on a card, ball or program. At Dunedin, the players do not seem as remote as they do in Toronto's vast concrete SkyDome, the Great Field seats are so close to the action that spectators can touch the warm-up batter, feel all the trash like dust athletes toss in each other's faces like a verbal food fight. And the team's ability to draw a crowd follows it on the road. On a miserable day in Sarasota recently, a tightly all-white Jay lineup attracted a near-sold-out for a game against the Chicago White Sox.

But there remains a sense of unease. Fans want to see the Jays repeat as Series champions, and are not impressed by the blue boys' annual record. Grapefruit League play, right-hander Stewart, a notorious slow starter, was shuttled to two recent spring starts. Ed Soriano, though improving at third base, has not made people forget the slide-folding, but injury-prone Gruber, as much as many would like to fit Hentges, the young right-hander originally thought to be the team's fifth starter, has had a mediocre spring and is now competing with a replacement Al Leiter, a lefty known more for a blistered finger than for getting batters out. And it remains to be seen whether talented but fidgety Derek Bell can successfully replace Mulvey on the left.

The Jays, however, have a calming club-house presence in their manager, the off-the-field Cal Gerson. Played last season by the hands of open-mouthed ball, Gerson has emerged with a Series triumph and a new three-year contract. And the outgoing "Team captain" quarterbacked by the changed faces in this year's first game. "Since 1985, when I started managing this club, we have almost always had a different makeup going into each season," he said. "So you have to manage differently according to your strengths."



Stewart's shattering turnover has not cooled fans' passion for the Jays

In 1993, those strengths appear to be speed and team hitting average. Molitor, a veteran of the Milwaukee Brewers, hit .380 last season and stole 31 bases. He will lead third behind speedsters Devon White and Alomar, and ahead of slugger Carter, whose prolific run production earned him a three-year \$29.5-million contract. In the raucous and jovial clubhouse atmosphere in Dunedin, Carter is the loudest catalyst, whether he is mugging White in the clubhouse during an off-day or on the field during batting cage or college out results in the team's NCAA basketball pool. "Our goal is to go out there and do what we did last year," Carter said in a more serious moment. "We are still focused, even though we haven't had a good spring. Even the

beginning of the season, though, we'll be right there."

The biggest concern at Dunedin are starting pitchers and the infusion of youth into a veteran line. Stewart, 36, replaces one of the two departed starters, Cone and Key, and while rumors last week suggested that the team was attempting to trade for another pitcher, Gerson said that he was comfortable going with the current roster. Mike Thieba, 27, who anchored the set-up role in the bullpen when Dave Wark took Hentges' place in the closer, said that the young players will help each other improve. "It's going to be exciting to see the guys I came up with make it to the major-league level," he said. "It's good to see they doing well." Still, Gerson admitted that

there were some worries. "We do have a few things to sort out, more so this year than in any other year that I've been here," he said. "It should be interesting."

THE EXPOS

Montreal now takes the shape of a baseball diamond. Before a recent Grapefruit League contest in West Palm Beach, a platoon of roller-pushing groundskeepers relocated the word of the gold in from the grass playing surface to the sidewalk. But players still had to figure out the sidewalk grass to find solid ground. The game would gradually have been called, but there was nearly a full house at 7,200-seat Municipal Stadium to watch the teams that many experts predict will meet in next October's National League

Championship Series—the Expos and the Atlanta Braves. The two teams, loaded with young stars, did not disappoint. Expo starter Dennis Martinez doubled new Braves ace Greg Maddux in a showdown, and the game went tied 1-1 in the 10th inning when the sons finally stopped the proceedings.

As franchise, the small-market Expos operate with a careful eye to the bottom on baseball's horizon. They have eschewed the

selective based solely on productivity. "That's why Sean Berry and Frank DiStefano are last thing for third base without [former shortstop] Tim Lincecum in the way," he said. "Not only was Tim Lincecum expensive, but he also was not very productive, by his own admission, over the last two years."

That hard-nosed approach bruised some players' feelings during contract negotiations. Stoneham was able to sign most play-

ers on the roster. The players who remain include right-fielder Larry Walker, a 1997 all-star from Maple Ridge, B.C., who joins Grossman and Alou as the best young outfielder in the game. They are fast, solid defensively and, under manager Alou, very aggressive. "There's only one way to go with a young club—pushing, aggressive, being fearless, having fun, being ready for me and my type of baseball," he said. "We use all the resources we have, offensively and defensively."

The Expos will indeed be young when they open the season April 5 in Cincinnati. Aside from Martinez, 30, pinch hitter Franklin Stubbs, 32, and recently acquired first-baseman Jack Clark, 35, they are all 20-something. Calderon will be replaced by Moses Alou, whose fine play last season showed that he was ready for full-time work. Owen's place at shortstop has been taken by 25-year-old Wil Cordero, who is trying to keep his head above water with 26-year-old second-baseman Delino DeShazo.

Six weeks into spring training, the players seem convinced that the loss of veterans has not hurt the team. "We were all a little concerned at the beginning about the fact that a lot of rookies would be coming the club," Walker said before a recent game. "But now, it's clear that they can do the job." Nevertheless, manager Alou clearly wants to dampen any expectations of a dynasty title. In the 1970s, he said, the Expos are widely seen as the best of all spring training lot. The only team to finish ahead of them in 1992, Pittsburgh, lost many franchise players, including outfielder Barry Bonds and pitcher Doug Ekeblad, to free agency last winter. "Last year, we were given up for dead before the season started," Alou said. "This year, they think we can win. How can we be picked last one year and first the next? Either somebody made a mistake last year, or they made a mistake this year?"

By the glass to his eye, Alou seemed to know the answer to that one.

Expos' fans will have to wait until April 19 to get a firsthand look at the team in action at Montreal's Olympic Stadium. The Jays, meanwhile, will finally get their World Series rings at their home opener on April 9. But the moment will be interrupted. The Jays will be missing many of their former franchisees who earned the coveted rings but have since gone on to play elsewhere. Their opponents, last night, the Cleveland Indians, will be missing the two franchisees left in the league long ago: Alou and his right arm, the Jays may also receive a lesson in perspective.

JAMES DEANON is *West Point* book



Walker on the run: an air of excitement surrounds the young and talented Expos

offensive strategy of spending lavishly on players and then complaining about the cost. Instead of long-term contracts, the Expos have refused to sign anyone beyond the end of this season, and their player payroll is about \$11 million, less than one-third of the Blue Jays. The team's cost-consciousness stems partly from an inability to sell the Expos on English-language TV in Canada, where Toronto will be featured in at least 135 televised games across Canada in 1993. Montreal will appear in only 35 English games. They will be shown 85 games on French TV. Expo vice-president Bill Stoneham said that, despite the difficult Montreal market, he is committed to finding a competitive team and retaining economic viability. That means paying players

without major confrontations, but talks with centre-fielder Marc Gosselin and left-fielder Moises Alou prove acrimonious. Both new players to have put their bitterness behind them. "Unfortunately, they didn't want me the way I thought I should be treated," Alou said, "but I know that sooner or later, they won't have any choice."

\$60, an air of excitement surrounds the young Expos, even if they are quiet about it. Felipe Alou, the team's manager and clubhouse philosopher (and Moises' father), maintains that no team ever won anything with their mouths. Alou says athletes that the team lost some valuable players when such veterans as Wallace, Spike Owen and Ivan Calderon left via off-season trades or free agency. But he likes what he sees out on the

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Remembrances of past shapes

The 1960s look returns

In the world of high fashion, the models wearing the newest creations receive instant recognition: their look is copied by women around the world and they are celebrated in gossip mags and newsprint. But as model after model appeared in Paris fashion shows earlier this month, it was clear that this year's ideal of beauty took many observers by surprise. Instead of the confident, curvaceous and spectacularly beautiful women who dominated fashion over the past decade, this year's hottest models are small-boned, flat-chested and girly-looking. Shania Harrison, a 26-year-old from Ottawa, Ont., is a current favorite with such headlining designers as Karl Lagerfeld and Valentino. Although she is not thin, Valentino chose her to appear in his recent Paris show wearing a pink fitted bustier that seemed too large for her boyish figure. Afterwards, wearing blue jeans and a T-shirt, Harrison said that the new look is a positive, approachable view of beauty. "Perfection is boring—you can find that in a Barbie doll," said Harrison. "This look is much more down to earth."

With their soft-lipped features and less than perfect features, the new models epitomize one of the strongest trends in fashion—a style that is inspired by the thriftpop street clothing of the 1960s and 1970s. Designers as diverse as Milers Glenn Tervino and Paris's Lagerfeld and Yves St. Laurent have filed their 1960 collections with ruffled shirts, long-sleeved button-downs and wide-legged pants. Others, New York City's Calvin Klein for one, feature long, layered clothing, including softly draped ankle-length skirts, romantic dresses, untucked blouses over tight T-shirts and loose sweaters with little slits. To complete the nostalgic look, designers are turning to models with boyish figures and faces that are dreamy and childlike, a look popularized during the 1960s by the legendary English model Twiggy. Said Elmer Olsen, a Toronto-based model scout and agent: "With their raucous shaven-in those boy-like T-shirts, it can look sloppy on a girl with curves. They need to be very fragile and small-boned to wear these clothes."

For many models, idealizing with a major designer has entailed them to star dates. Kate Moss, a then-16-year-old, 5'6-inch British, recently signed an estimated \$1 million contract to model exclusively for Calvin Klein. A designer whose

appeal gives him the power to make both men almost trouble handily, Klein has pushed the five-foot, 100-pound Moss from obscurity only a year ago, to the ranks of the supermodels. American Kristen McMenamy, another model who has moved to the front row on the basis of her skeletal figure and unusual looks, has become the muse of Lagerfeld, the perky, pony-tailed designer for Chanel. Chloé, Ferré and his namesake line, Karl Lagerfeld. For her part, the Paris-based McMenamy, 28, has been modelling since 1983, but only became a star last year when a makeup artist plucked her eyebrows almost to oblivion. "The result—a quirky, endearing look that emphasizes her slightly bulging eyes and overcast mouth—transformed her career."

Hard lines and a critical rethinking of the excesses of the 1980s have also been at least partly responsible for the shift to smaller, less dramatically beautiful models. Said Dani Sussengut, a Paris-based fashion writer for the monthly fashion magazine *Elle*: "Gutter 'luxurious' fabrics and intricate embroidery have become less useful, so designers have taken their inspiration from the street, creating an antichic look. And antichic looks emphasize an especially beautiful model's." While less expensive, such street-inspired dressing can also be revealing in terms of economic stress, says Nancy Jane Hawkins, style director for Toronto-based *Mare magazine*. "It's comfort on the cheek," she added.

Sure in the fashion business, it's no wonder that the new look could set a dangerous example for women who already worry that they are overweight, creating more social pressure to diet. But Shalton, for one, cautioned that no one should try to emulate her figure type. "I'm not thin on purpose," she said. "I eat well—it's just the way I am. I don't want to be responsible for anyone becoming anorexic." Other fashion experts add that the trend toward smaller, thinner models is merely evidence that the arbiters of taste are showing acceptance of different figure types. Said Olsen: "It's a message that you should be happy with what you are, whether it's voluptuous or slender." And besides, he added, eating in fashion stays the same for long. "Women who do not like what they see on the runways this year should not panic. Said Olsen: "It's fashion, it's fickle—and it won't last long."

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CRIME

Cheap—and deadly

Heroin usage is up because of a price drop

By the age of 36, Billy Snow was taking desperate measures to help larger a just life with a man and to relieve the pain of raising three children alone. During the mid-1980s, while the man's addiction was focused on cocaine, Snow was facing into a base-dilemma: how to provide for her children while the man's addiction was focused on cocaine. Snow was facing into a base-dilemma: how to provide for her children while the man's addiction was focused on cocaine.



Shooting up: more people are dying from overdoses

...in his changed dramatically. "The party of the soul almost killed me," said the 36-year-old Toronto social worker, who has stayed clear of drugs for about a year. Indeed, the in-

creased supply of inexpensive, pure—and deadly—heroin has caught drug officials' attention across the country. As cocaine started to take over as the sec-

ondary drug of choice during the early 1980s, heroin appeared to be a safe substitute for addiction. "It didn't seem as innocent as marijuana or as purified as cocaine," says Const. Robert Bouchard, of the Montreal Urban Community Police narcotics unit. At the time, heroin was also priced beyond most first-time users at about \$800 per gram—or between \$35 and \$60 for an average fix. And heroin's greater severity assured during the mid-1980s after researchers established a link between intravenous drug use—the preferred way of taking the drug—and AIDS.

But, according to drug officials, bumper crops of Asian poppies, which are used to produce heroin, have sent prices crashing down 30 per cent to as low as \$200 per gram for high-grade white heroin. At the same time, producers in countries such as Pakistan and Lebanon have increased supplies of brown heroin, a less refined opiate. For hard-core addicts, the crude quality can be frightening. Said Joel, a 32-year-old heroin user in Toronto's west end, who declined to be fully identified: "It's hard to know if your repair kit will get you high or send you to heaven for good."

For a growing number of heroin users, the addiction has had tragic consequences. Former Vancouver mayor Jeannette Pile said that about 200 people died from overdoses last year—a dramatic increase from 1988, when 67 users died. But he

added that emergency medical assistance saved several hundred other addicts from death by overdose. Said Pile: "In some of these, the signs are still stuck in their arms." Before reaching the user, suppliers usually mix the drug with some sugar, powdered baby formula or another filler. Like alcohol, heroin is too lethal to ingest in its pure form: the drug suppresses the part of the brain that controls breathing, potentially causing death. Until recently, addicts based their dosage on standard assumptions about the purity. But because of a glut of heroin

on the market, dealers are selling a much purer form of the drug. "Those people who have been using three- to five-per-cent purity and deny get 30 per cent or 50 per cent," said Sgt. Gary Dulon of the Vancouver city police drug squad. "As soon as the needle's in the arm, they're dead."

But cracking down on illegal drug suppliers alone does not curb usage, according to Montreal's Bouchard. "When you double your manpower and you end up quadrupling your seizures of drugs, you can put yourself on the back, but you're not doing much at street level," he added. "Eighty-five per cent of the stuff makes it through." As a result, police in



Harvesting the poppy: 'Eighty-five per cent makes it through'

Montreal are targeting elementary-school children and their parents in an education program about drugs. "The idea behind it is that if you can shut down the demand side a little bit, you're going to take away the incentive to make a profit," explained Bouchard. "But it's decreasing in effectiveness to think you're going to get rid of the problem considerably."

So far, the most effective way to get heroin addicts off their habit has been with medication, an anti-addiction that prevents withdrawal symptoms but does not provide a euphoric effect. The drug reduces the craving for heroin and blocks its effect if it is used. But some say that officials have been slow to rap-

port extensive programs, which can cost as much as \$16,000 a year per person, because of the addictive properties of methadone itself. Although about 15,000 of the county's 30,000 heroin addicts are in Ontario—most of the rest live in Vancouver and Montreal—only about 250 receive methadone treatment.

Still, demand for the non-reversal treatment has increased dramatically in recent years. At the Toronto-based Addiction Research Foundation alone, the waiting list for methadone has more than tripled

to 150, from 30 last year. Responding to the demand, the Ontario government last year announced plans for a new clinic that will treat another 150 people. "At the moment," said Bruce Skovitz, spokesman for the province's health ministry, "there is no money to get beyond this, even if we want to."

But thousands of addicts still reject any substitutes for the real thing. "I want something to feel good, not just something that stops me from being sick," said Joel. "I can get good stuff now. Really good." He sighed, "I've just got to be more careful."

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Three movies revel in romance and obsession

BORN YESTERDAY

Directed by Lars Munch

Somehow a movie is so appalling that it evokes pity for its actors and longing for the creature—creatures that do little to serve the cause of comedy. The stars of *Born Yesterday* (Melanie Griffith, Don Johnson and John Goodman) have all seen better days. Griffith has never lived up to the promise of her Oscar-nominated role as a secretary who usurps the household in *Working Girl*; Johnson, her real-life husband, has tried to portray his character in significant roles since the *Baywatch* film. For the 1980s TV series that made him famous, *And Goodman's* attempts to escape the sitcom ghetto of *Three Men and a Cradle* have been largely fruitless. In *Born Yesterday*, it is hard to say which of the three actors is most crassly cast—Griffith as an obviously dumb blonde, Johnson as an obviously intellectual in her-torn or Goodman as a crass, portly-faced troon.

The film, based on the play by George S. Kaufman, is a remake of the 1950 comic starring Judy Holiday, Bette Midler, a former Las Vegas show girl, serves as playmate to Harry (Johnson), a Chicago scrap-metal millionaire who goes to Washington to buy some congressional favors. When her no-boundary ways prove to be a social liability, Harry hires an investigative journalist named Paul (Goodman) to "investigate her up." Does his job cut too deep? Probably, the close grip Goodman plays on independent thinker and his role.

But most of the comedy is crassly based on the social humiliation of its heroine. Rife is a walking broad joke. And her opinion about the collapse of the Eastern Bloc, she asks, "How many people were hurt?"—a humorously reminiscent of Griffith's own surreal response when she learned the death toll of the Holocaust during interviews about her role as an Allied spy in last year's *Shining Through* ("I didn't know that six million Jews were killed. That's a lot of people").

An Griffith appears in one ludicrously low-cut outfit after another, it is hard not to keep thinking of her more recent scenery. For his part, Johnson, sporting a George Hamilton

look, more like an Augustus than a Washington politician, And Goodman's performance is a mid, unimpaired self-parody.

All the actors, however, are victims of a character's spite, which fails to provide even the slender thread of credibility required for a farce. The fact that Paul, a journalist of supposedly impeccable ethics, is profiling Harry while on his pencil is granted without a hint of irony. And Lars Munch's clumsy de-



Johnson (left), Goodman, Griffith: a silver girl becomes help an independent thinker

rection, an apparent attempt to mimic a flabby, old-fashioned farce, comes across as simply retrograde—a banal celebration of the obvious. *Born Yesterday* is rated PG, but its social audience is best described in the title.

MARRIED TO IT
Directed by Arthur Hiller

The contrivance clicks in right from the opening credits, which appear with a grossly overproduced orchestral version of *The Great Gatsby*. In *Married to It*, a Sicilian immigrant, married in it, a successful comedy set in contemporary New York City, is a

table of three marriages. Each couple represents a different class. Leo (Don Johnson), a top entrepreneur, is on his second marriage, to Claire (Vivian Maillard), a richly bred housewife who lives by (chance) grace, and son Chuck (Robert Sean Leonard), a rookie stock analyst, and Nina (Mary Stuart Masterson), a school psychologist, are fresh-faced puppies who have decided their married happily by moving into a Manhattan high-rise. Skinning for the wit of the north are John and Lisa (Glenn Strangers and Stockard Channing), who struggle to support two sons of modest talents.

Legislatively, the lives of the three couples merge. They meet while planning a Sicilian marriage payment at the school that the two boys and Leo's troubled daughter attend, and where Nina is a counselor. The couples become best friends. Then, rocked by sympathy in various, all three marriages suffer crises. Although the story line is awkward since one gets nothing at all from an amazing banger

is a one-up—one that is long on four cylinders control of us. From the strong performances as realized by Arthur Hiller's hand direction and by a heavy script (an element of its own success). The ending is especially clever. And, ultimately, *Married to It* is as frustrating as a stalled marriage—one that buries its hand in the soil of the sake of appearances.

UTZ

Directed by George Sluiter

It is an English-language movie filmed in Prague by a Dutch director with German, British and American actors. But despite that, it may well be of value to those who are seriously crafted, a magnificent example of irony, elegance and wit. Adapted from the best-selling 1989 novel by British author Bruce Chatwin, this is a charming tale of art and obsession set in Soviet-occupied Carpathian Russia. Armin Mueller-Stahl plays Bruno Kasper, Jonathan van Uff, a fanatic collector of Dresden porcelain who also has a weakness for overeating. Over the decades, Uff has accumulated more than a thousand pieces—a kitchen in Spangenberg and under the watchful eye of Czech authorities, who also in some the collection after his death. He displays his treasures in a cramped Prague apartment that he shares with his devoted maid, Marie (Berndt Pichler).

The story begins in 1989, when Martin Fischer (Peter Riegler), an American gallery owner, learns that his friend Uff is ill. By the time Fischer reaches Prague, the baron is dead and the collection that Fischer has coveted for so long has vanished. Revealed as a flashback, the relationship between Uff and Fischer is a play of opposites—the rationalist capitalist merchant set against the cold as at market value, serious the impressionist collector who reverts his position as a kind of living flesh.

Despite the heavily symbolic brushstrokes, the movie seems as more subtle than scholarly. Dutch director George Sluiter, who made the marvelous thriller *The Wandering* (1988) and its 1993 Hollywood remake, leaves the drama with a shy wit. He toys with the perverse implications of Uff's obsession without dwelling on them. The end, as much, presents a novel kind of vision. Acting with delicate restraint, Riegler creates a richness by understated feel for Mueller-Stahl's character. Paul Seidel is a delight as the collector's friend, the eccentric Dr. Fischer. And Pichler is suitably opaque as the invisible maid.

Uff is related with nature. It is about the ability of trying to possess art—and the passion of being possessed by it. Its cinematic symbolism also offers a hint of transcendence, escape for the brittle complexity of Eastern Europe, one viewed with mystery and only darkness. But in the end, the movie's interpretation as ultimately as art defies possession. It stands as a simple work of beauty, like an exquisite sculpture attributed by whatever master lies in the eye of the beholder.

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■ Looking for a nice, easy getaway? Choose from an array of **Ready-to-Go holidays** for a week or a weekend. Go golfing or skiing. Or just enjoy a romantic weekend for two in luxurious hotels across Canada, the U.S. or Europe.

■ Can't wait for your first trip? Don't have

enough points for that special holiday? It could still be yours with our **Points Plus** option. Use a combination of points and cash and you're off.

■ Want something for your home instead of leaving home? Select a gift from our **Royal Collection[™]**. Everything from the practical to the sublime. Choose something for yourself or for someone who's important to you.



*Because she'd rather eat
a chocolate brownie
with an 8 year-old
than dine in town.
Because she can't stand
foreign subtitles
or spiders
on porch furniture.
Because today
is our anniversary.
And I'm still her hero.*



*Diamonds.
Just because you love her.*

A diamond is forever.